U.S. News & World Report

JUNE 24, 1955 20 CENTS

#25

ANOTHER PRICE SPIRAL AHEAD?

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EXCLUSIVE

PRISON DIARY

U.S. Airman Tells Story Of His 33 Months as A Captive in Red China

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Mr. Hornworm's quota for the season...

ACRE FOR ACRE, few crops equal the dollar value of tobacco. So it is easy to understand why it is important to kill a tobacco hornworm, which easily devours about a pound of tobacco during a growing season. Killing just a few hornworms per acre can pay the full cost of treating a field with Shell Chemical's endrin.

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At the touch of a finger— man-made climate that's better than nature's

Since the beginning of history, Man has tried to "do" something about the weather around him. His problem: to keep warm in the winter, to keep cool in the summer, and to keep healthy all year round.

Man-made climate has been the goal of America's air conditioning industry since the first factory cooling units were installed in 1902. Now, a half century later, new ways have been found to heat, cool, filter, dehumidify, cleanse, and circulate the air that people breathe in homes, offices, factories.

Central air conditioning in the home has a bright future. Thousands of units have already been installed. Leading builders and manufacturers predict that within five years complete temperature control units will be included in most new homes. The room air conditioner with a reverse cycle which permits either heating or cooling of the area served, as well as the electrostatic air cleaner, are two recent developments which will create new demands for air conditioning equipment.

Today, there are plans on the drawing board for an entirely air conditioned shopping center – including sidewalks and public areas—all to be served by a central plant. Total annual sales of the industry are expected to skyrocket to $5 billion within the next decade.

The air conditioning industry is playing a big part in America's growth and achievement. It is another demonstration of how the invigorating climate of freedom stimulates business to progress and accomplishment in which all the people share.

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IN THIS ISSUE

★ Molotov and the U. N.: New Double Cross Coming?

What is Molotov up to now? Russia's Foreign Minister, with a record as the world's biggest double crosser, is back in the U. S. He's smiling, affable, ready to talk. But what happens when Molotov talks? For that story, and the story of Molotov's life of intrigue—page 71. For perspective on the United Nations—past, present, future—page 55.

★ Big-Four Talks: Another Yalta?

Senator Joseph R. McCarthy attacks President's plan to attend four-power conference. Senator William F. Knowland defends it. For both sides, read debate on page 80.

★ The Rise, and Role, of Harry Dexter White

New revelations in the strange story of Harry Dexter White, accused of spying for Russia, now are produced in the Morgenthau diary. For details on how he operated, see page 86.

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THE UNITED STATES NEWS

WORLD REPORT

U. S. WEEKLY
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It's Making '55 Famous—For Fun!

For sheer driving pleasure, Chevrolet's stealing the thunder from the high-priced cars.

Let's be frank. Up to now, maybe there were reasons for wanting one of the higher priced cars. If you desired something really special in the way of driving fun, you simply had to pay a premium to get it. Usually, a big one!

But that's not true any more! The Motoramic Chevrolet is taking the play away from the high-priced cars with pure excitement on wheels!

Chevrolet's new "Turbo-Fire V8" puts a heaping hoodful of fun under your foot—162 h.p.! (Special to adventure lovers: 180 h.p. "*Super* Turbo-Fire V8" is optional at extra cost.) You can also choose from the two highest powered 6's in the low-price field.

As for drives, just name it. Chevrolet offers new Overdrive, super-smooth Powerglide (extra-cost options) and a new and finer Synchro-Mesh transmission.

Find out how the Motoramic Chevrolet puts new fun in *your* driving life! Take the key at your Chevrolet dealer's—and you'll want it for keeps! . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

Motoramic CHEVROLET *See and drive it at your Chevrolet dealer's*

Prince and Princess Ferdinand of Liechtenstein on the AMERICA, a ship with an international reputation for comfort, cuisine, friendly atmosphere.

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Walter Cronkite, CBS News Correspondent, with Mrs. Cronkite on the s.s. UNITED STATES: "This ship is making gourmet history."

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The March of the News

BETTER AIR DEFENSES?

THE NATION'S air defenses may get a 2-billion-dollar overhauling, military officials revealed. The Air Force plans to replace its present warning system—based on teletypewriter machines and telephones—with a semiautomatic system, details of which are secret.

Assistant Air Force Secretary Lyle S. Garlock told Congress the new system will "feed the information from a radar that picks up an identified plane into the control center and back out to the fighter units, the antiaircraft units or the missile units."

One feature of the program is stirring up some controversy. Defense officials want to lease the new equipment from private telephone companies, paying for it gradually over a 10-year period. Senator Dennis Chavez (Dem.), of New Mexico, said the proposed arrangement amounted to a "2-billion-dollar mortgage on the Congress."

MIXING SCHOOLS

KENTUCKY was beginning to feel the effects of the Supreme Court decision banning racial segregation in public schools. Assistant Attorney General W. Owen Keller gave his official opinion that the State's 51-year-old segregation law had been "destroyed" and was "no longer in existence."

Mr. Keller sent this opinion to Ira Bell, superintendent of the Wayne County school system, who is considering an application from a Negro father to enter his six children in a one-room white grade school next year.

Said Superintendent Bell: "If the Attorney General says the . . . law is destroyed, it is our intention to disregard it next August and admit these children."

SAFETY IN THE AIR

AIRLINES in the U. S. set a record for safe flying last year, the National Safety Council reported. Three fatal accidents took a total of 23 lives, for a death rate of .09 per 100 million passenger miles.

Overseas flights by U. S. lines were the safest, with no fatalities last year.

LATTIMORE CASE

FAR EAST EXPERT Owen Lattimore won another round in his three-year legal battle with the Justice Department. The U. S. Court of Appeals, with a 4-to-4 tie vote, upheld District Judge Luther W. Youngdahl, who had dismissed key charges of a Government indictment against Mr. Lattimore. The Johns Hopkins professor was accused of lying when he told a Senate subcommittee in 1952 that he was never a follower of the Communist line or a promoter of Communist interests. Judge Youngdahl called these charges "formless and obscure."

Still pending against Mr. Lattimore are five counts of an earlier perjury indictment.

MUSCLES IN MOSCOW

MOSCOW'S SPORTS FANS were wild about Paul Anderson, a 22-year-old 340-pounder from Georgia, U. S. A. Some 15,000 Russians sat through a drizzly rain to watch the powerful American shatter two world weight-lifting records.

Six weight lifters from the U. S. were meeting a team of Soviet athletes in the first sports competition held exclusively for Russian and American teams since World War II. The Americans were greeted with friendly articles in the Russian press, a creaky rendition of "The Star-Spangled Banner," and roars of delight from the spectators.

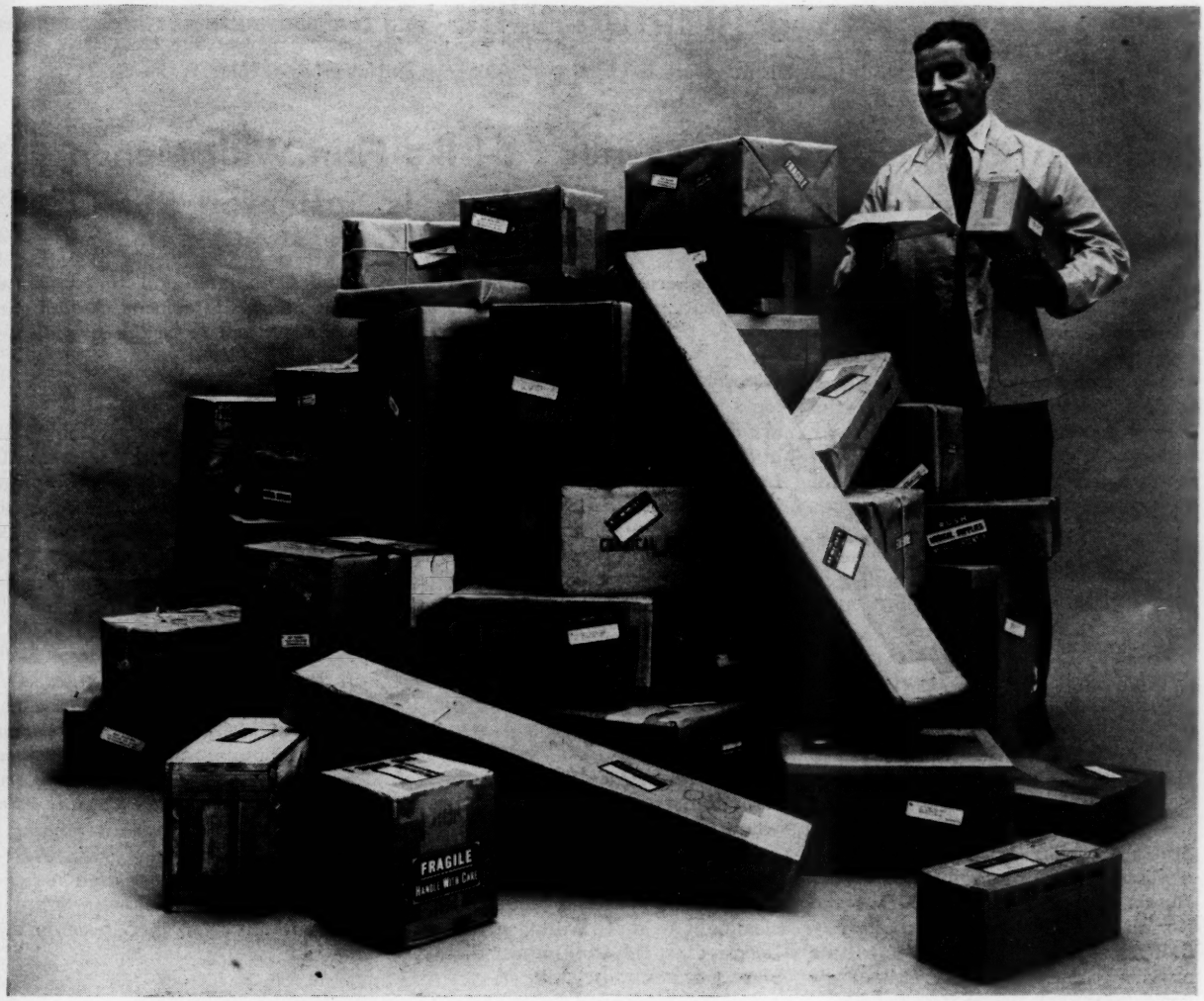
FEDERAL PAY HIKE?

UNCLE SAM'S army of white-collar workers was likely to get a salary boost. The House Civil Service Committee unanimously approved a 7.5 per cent increase retroactive to March 1, for civil-service workers. Eligible for the raise are more than 1 million employes of the executive, legislative and judicial branches of the Federal Government. If the bill goes through, it will cost taxpayers about 325 millions a year.

VACCINE DISPUTE

A SPOKESMAN for the American Medical Association had a word of criticism for the Salk antipolio vaccine program. "Whether we were justified in rushing it is the question," said Dr. Julian P. Price, an AMA trustee. "A research problem usually takes four, five or six years," the doctor said. "This was boiled down to a period of a few months."

Dr. Price's view was quickly disputed by Basil O'Connor, president of the National Foundation for Infantile Paralysis. "No vaccine in the history of the world has had the preparation, testing and evaluation that the Salk vaccine did," he contended. "There was no rush whatsoever in this thing."



Call-Collect Plan brings 31 orders in 29 days

Long Distance calls costing only $20 ring up sales of $1,537

Recently a distributor of doctor's supplies invited out-of-town customers to place their orders by Long Distance—collect.

During the first 29 days, 31 orders worth $1,537 were received by Long Distance. The cost of the calls: $20.

These figures are typical of the big value and small cost of the Call-Collect Plan. You can prove that it pays in *your* business by trying it—and keeping a record of results.

All you have to do to set up such a plan is to let your out-of-town customers know they can telephone their orders to you—collect. Your salesmen can tell them. You can write them a letter. Or you can use specially imprinted telephone stickers which we furnish you free.

A telephone company representative will gladly help you work out the details. Just call your Bell Telephone Business Office today.

BELL TELEPHONE SYSTEM

LONG DISTANCE RATES ARE LOW

Here are some examples:

New York to Philadelphia	50¢
Cleveland to Indianapolis	90¢
Chicago to Pittsburgh	$1.15
Boston to Detroit	$1.40
Washington, D. C., to San Francisco	$2.50

These are the *daytime* Station-to-Station rates for the first three minutes. They do not include the 10% federal excise tax.

Call by Number. It's Twice as Fast.

Washington Whispers®

[Items appearing on this page are reported in Washington and other news centers]

Reds Get Civil-Defense Secrets . . . Ike Firm With Menon About Prisoners . . . British Fear U. S. Is Softer on Russia

A few days before practice evacuation of official Washington, a reporter asked the representative of Tass, Russia's news agency, where the super-secret press headquarters was going to be. He immediately named the correct location. Russians who have access to top official sources in Washington had all the secrets all along.

★ ★ ★

President Eisenhower is planning to take with him in his personal group Harold Stassen and Nelson Rockefeller when he attends the Big Four meeting in Geneva, Switzerland, starting July 18.

★ ★ ★

Harold Macmillan, Britain's Foreign Secretary, is described as worried over the prospect that the United States now will become "too soft" in dealing with Communist rulers of Russia. It wasn't long ago that the British were alarmed by what they thought was a "too tough" attitude on the part of America. British officials think of American leaders as "mercurial."

★ ★ ★

V. K. Krishna Menon, India's "mystery man," tried to sell President Eisenhower and State Secretary Dulles on the idea of opening direct negotiations with Communist China's Chou En-lai. Mr. Menon was told bluntly when he visited the White House that this country would consider talks when all Americans had been freed by Communist China, and not before.

★ ★ ★

Dag Hammarskjold, Secretary General of the United Nations, is concerning himself only with the release of 11 Americans of the armed forces whom the Chinese Communists admit holding in violation of the Korean armistice terms, not with other Americans held prisoner.

★ ★ ★

Charles Wilson, Defense Secretary, faces a growing controversy in the armed services concerning conduct of military personnel when captured. Lieut. Roland Parks, whose diary is in this issue of "U. S. News & World Report," and other airmen who talked under pressure, reflect one approach. Army leadership, on the other hand, insists that a captured man should give no more than name, rank, and serial number. The whole code of prisoner conduct is in deep dispute.

★ ★ ★

Juan Perón, Argentina's dictator, got few cheers from the U. S. Government when he survived the latest effort to bring about his overthrow. The thought was that, if Perón had gone down, maybe military leaders in Russia might be more willing to try their luck against the Communist dictatorship of that country.

★ ★ ★

John J. McCloy, former High Commissioner in Germany and now a New York banker, was architect of the policy of closer U. S. ties with West Germany now resulting in a working arrangement between this Government and that of Konrad Adenauer, German Chancellor.

★ ★ ★

High French officials are not happy about the growing collaboration in the field of foreign policy between the United States and West Germany.

★ ★ ★

Earl Mountbatten, First Lord of the British Admiralty, is being viewed by some important American military men as holding an anti-American bias. The Earl's criticism of the National Commander of the American Legion for his attacks on Communism is reported not to be the only display of a critical attitude.

★ ★ ★

The President is getting his White House staff so well organized that he is able to limit his daily job more to arriving at decisions on matters of the broadest policy that shape the country's general direction. All the rest goes to subordinates.

★ ★ ★

Joseph Dodge, one-time Detroit banker, first Director of the Budget in the Eisenhower Administration and now a special assistant to the President, is taking more and more telephone calls from Cabinet members that once went through directly to the President's desk. Mr. Dodge is tending to clear top-level matters from the departments. Said one high official: "Cabinet members now hesitate to take something to the President over the head of Mr. Dodge."

★ ★ ★

Robert Cutler, who resigned as special assistant to Mr. Eisenhower on national security matters, is continuing to exercise at least as much influence in the field of defense and foreign policy as he did when he maintained a White House office. Mr. Cutler now does the over-all thinking and planning while Dillon Anderson, his successor, takes care of operations.

★ ★ ★

The U. S. Department of State and the armed services are getting set for a big rush of Senators and Representatives on official trips to Europe this summer after Congress adjourns. With no election in November of this year, advance word is that a record total of members of Congress will be surveying and investigating situations all over Europe.

"TUG" WILSON'S

Wausau Story

Kenneth L. "Tug" Wilson, Western Conference Commissioner and President of the U.S. Olympic Association, visited Wausau recently. His story appears in pictures and captions on this page. At lunch, Mr. Wilson told a group of Wausau businessmen and educators that he admired Wausau's energetic "personality." It's this same *personality*—straightforward and businesslike—that policyholders like about Employers Mutuals' representatives.

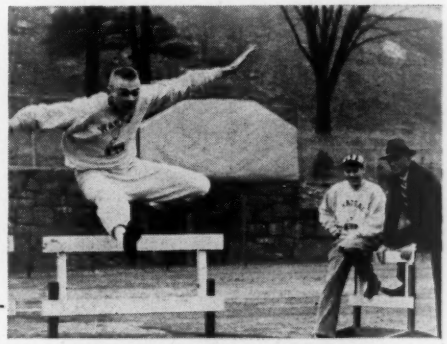
For instance, Employers Mutuals believes in taking the mystery out of workmen's compensation insurance.

Stated simply, our story is this: the cost of compensation depends upon accidents. Accidents are controllable. Thus, the cost of workmen's compensation insurance is, or *can be*, a cost you can control.

We have a reputation for being able to reduce insurance costs through the practical prevention of accidents. May we show you how *you* can reduce losses and costs with Employers Mutuals' supervision? Phone our nearest office, or write Wausau, Wisconsin.

"Holiday from Apron Strings". Mr. Wilson with YWCA Instructor, Ruth Fox.

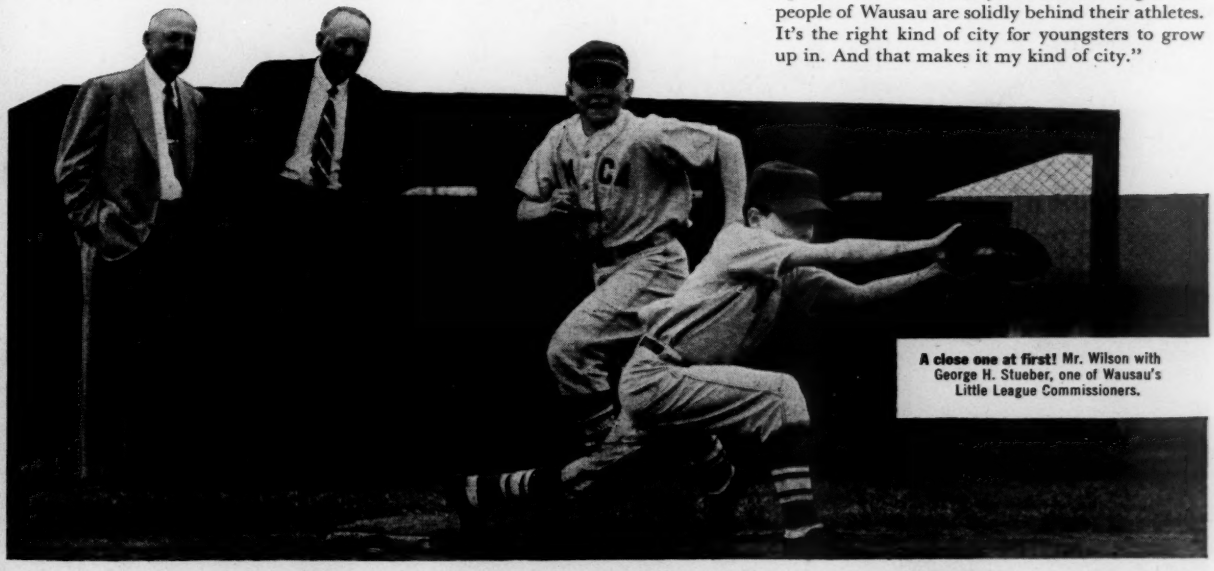
"I suppose most all Americans believe in physical fitness. Wausau people really put their belief into action. One fine example, for me, was the popular "Slim Gym" class at the YWCA. The "Y" encourages regular attendance by giving free baby-sitting service while the young mothers 'work out'."



Wausau hurdler, Jim Seefeldt, skims one for Mr. Wilson and Coach Smiley.

"Our future Olympic hopes depend on the support of cities like Wausau—the moral and financial support of citizens, and the enthusiasm of large squads like Coach Smiley's at Wausau High. The people of Wausau are solidly behind their athletes. It's the right kind of city for youngsters to grow up in. And that makes it my kind of city."

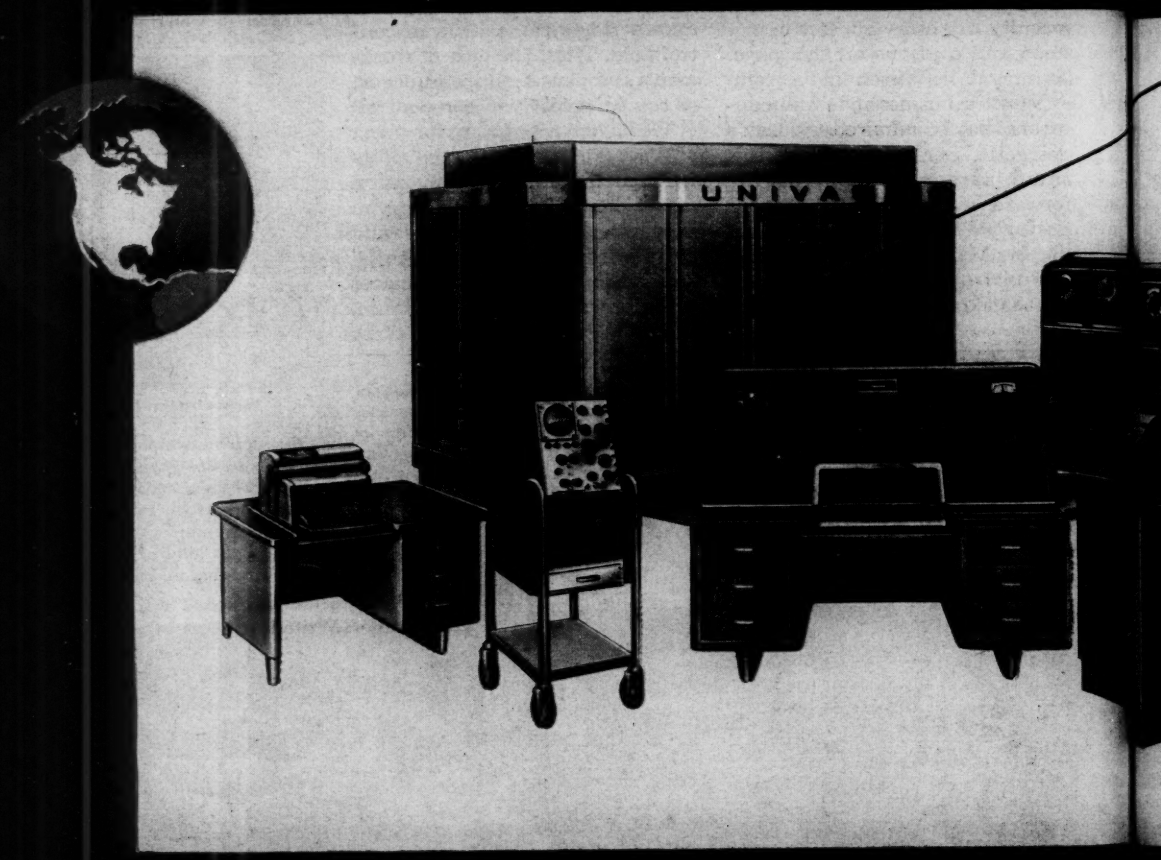
"I found the Little League typical of Wausau's interest in sports. Three fields are provided for the youngsters' exclusive use. And the 1955 call for candidates brought out 500 kids! An even greater showing is the 1500 young people who come out for *winter* sports. The Wausau Winter Sports Council gives instructions in skiing, skating and curling, free of charge. This is the community spirit that has made competitive sport so much a part of American life."



A close one at first! Mr. Wilson with George H. Stueber, one of Wausau's Little League Commissioners.

Employers Mutuals *of* Wausau

What's New in Mnemonics?



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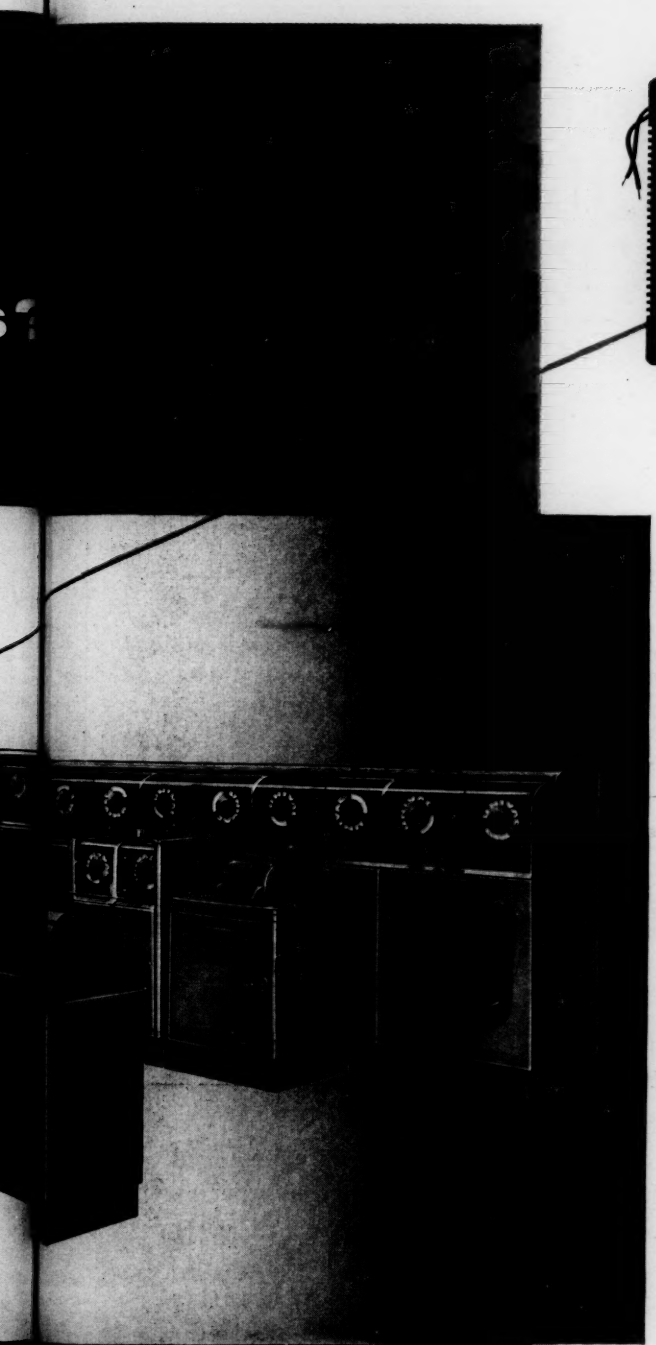

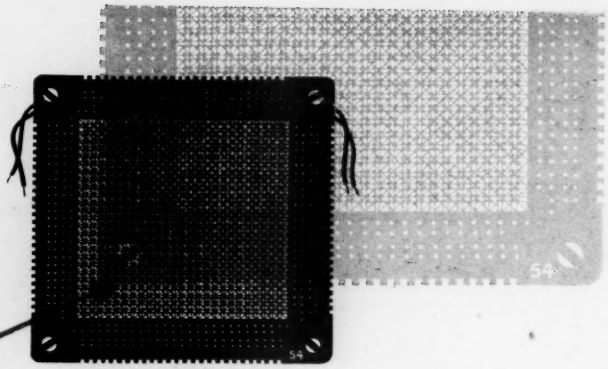

It's the new Univac II – finest business computing system ever developed. The famous Univac of Remington Rand is still the *only* completely self-checking system . . . the only one which can read, write, and compute simultaneously. And now Univac adds to these superior features the speed of a magnetic-core memory.

Remington Rand has pioneered in this important new development, installing, a year ago, the first commercially available electronic computer to use magnetic-core storage successfully.

Mnemonics, says Webster, is "the art of improving the efficiency of the memory." And, as far as electronic computing is concerned, the new Univac II carries this art to a point far beyond its contemporaries.

With this new magnetic-core storage, the internal memory of the Univac has been doubled, giving instantaneous access to 24,000 alphabetic or numeric characters. If needed, capacity can be further increased to 120,000 characters.

Univac's external memory – magnetic tape – now has greater capacity, too, increasing input and output to a peak speed of 20,000 characters per second . . . the equivalent of reading or writing every character on these two pages more than 1,000 times a minute.

These new Remington Rand developments can be incorporated into any existing Univac installation to double its speed of operation and increase its economy still further. Write to . . .

Remington Rand

Electronic Computer Department, Room 1620,
315 Fourth Avenue, New York 10, New York

Did you know so many families serve beer that it's now on the Consumers' Price Index?

Many of our Founding Fathers were in favor of beer. Washington, for example, had his own recipe for making "small beere". . . Jefferson brought brewers over from Europe to teach us the art of brewing. Patrick Henry and John Adams also endorsed the beverage of moderation.

The Federal Consumers' Price Index is compiled by the Bureau of Labor Statistics and it reflects, among other things, the buying habits of the nation's moderate income families. This Index shows us what these families are putting into their market baskets. Along with meat, fruit, vegetables, and dairy products, this Index now includes beer, the beverage of moderation, as a typical item bought at food stores. *As added evidence of its acceptance today, beer is served in almost two out of three homes in America.*

United States Brewers Foundation... Chartered 1862

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FROM THE NATION'S CAPITAL

Tomorrow®

A LOOK AHEAD

Newsgram®

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Timetable for prosperity in U.S. now looks about like this:

In months just ahead, some spottiness. There'll be vacations, seasonal slowness. Auto boom will sag noticeably. Other industries may lag somewhat.

By autumn the trend again will be upward, toward new highs.

After that, through winter and early 1956, records almost surely will be set for activity, for profits, for jobs, for incomes and retail trade.

Later in 1956, in the second half year, probabilities are that testing of the boom will begin. Building boom may be passing its crest. A good many adjustments very probably will have to be made before things turn up again.

Over all, 1956 is likely to be a year of higher activity than 1955, but, where 1955 will be going up in its closing months, 1956 may be going down.

Right now, the boom at home and abroad is running strongly.

Autos, it's true, are off somewhat, headed lower. Employment, however, is rising. Unemployment is under 2.5 million and going down. Money is turning over at a record rate. Building activity is breaking all records.

Prices reflect the high and rising demand for many things.

Rubber is up in price. Paper is being marked up. Metals are creeping higher. Steel prices will go up after a coming wage rise. Auto prices may be marked up. Hogs are sharply higher. Some building products are up.

There are few, if any, spots of real weakness in the business picture.

Boom controls, actually, are coming under study again.

Money supplies are likely to be tightened somewhat if activity keeps rising. Interest rates will rise, reflecting tighter money, if a check is applied.

Mortgage money, here and there, is being made less attractive. The "no money down" type of loan is being watched particularly. Installment terms, too, are getting attention, although there isn't much Government can do to tighten them up without tightening up on all types of credit.

Margin requirements for stock purchases very probably will go up again.

Credit tightening, however, is likely to wait on the summer slowing in business, to be related to an assessment of probable size of an autumn boom.

Bull market in stocks, still under way, is raising many questions.

Market levels, on an average, are not yet regarded by officials as being excessively high when measured by past bull-market standards. Stock prices, however, are in a range that may suggest caution for investors.

To give you something to measure by: Price level of Dow-Jones industrial stocks at the recent high of $442.48 was 14.9 times the level of earnings. In

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1929, the ratio was 19.1; in 1937, it was 17.5; in 1946, it was 20.8.

Yield on Dow-Jones industrials was 4.16 per cent. That's 36.8 per cent above yield on high-grade bonds. In 1929 bond yields exceeded stock yields; in 1937 the spread was about as now at the top; in 1946, it was a bit larger.

The outlook, however, is for higher earnings, bigger dividends.

Stock prices, related to prospective 1955 earnings, are about 13.4 times those earnings. That's a good deal below the ratio of past bull-market tops. A ratio of 15 times earnings, considered conservative, would suggest a top in the market around 12 per cent above the present.

Dividend prospect is for a 1955 return of 4.71 per cent on the basis of the recent high in Dow-Jones industrial averages. That's 54.9 per cent above the current yield on high-grade corporation bonds.

Past experience does not suggest that the present bull market has run its full course. However, investors need to be aware of dangers. Increases in margin requirements, credit tightening could upset things.

What you come up with is this: Hazards involved in investing when a bull market has run a long course need to be weighed against a possibility that the rise ahead--if past bull markets are a guide--may not be more than 10 or 12 per cent on an average. Danger of loss measured against the prospect of gain, at this stage, may seem large to the average new investor.

Draft for youths is to be extended four years. Actual draft, however, is not to hit hard among the younger draft-age group. Physician, dentist draft is to be extended two more years. Draft power encourages enlistment.

Permanent, total disability is on the way to Social Security coverage. Pensions would be on the same basis as for old age. Retirement age for wives of retired workers, for widows, for working women very probably will be lowered to age 62 either this year or next year. Pressure is great for this change.

Tax exemption for formal retirement plans of doctors, dentists, lawyers, farm owners, self-employed businessmen is coming under active study. This type of private retirement plan, based on tax-exempt income, seems on the way.

Guaranteed-wage idea, accepted in autos, will not sweep like wildfire. Luxury of a wage guarantee cannot be afforded by many industries. Legislatures, too, apparently are not to be in a rush to change unemployment-insurance laws to permit workers to draw benefit checks while getting company checks.

Wage trend, however, will continue to be upward.

Communist Russia, spreading sweetness and light, will try in the months ahead to cash in on the world's hunger for peace. Russia will expect to be paid to be good. She'll angle for all that she can get.

Eisenhower, for U.S., will try to play for time, to avoid big new gifts.

Period ahead will be one in which diplomats maneuver. War will not be in the picture. Peace will be talked. Disarmament will be, too.

What probably lies ahead is a long period of stalling. Russia needs time to solve some of her internal problems. U.S., Britain and France want a chance to enjoy prosperity. Germany wants to build back and to rearm.

Nothing much is likely to be really settled in talks that lie ahead.

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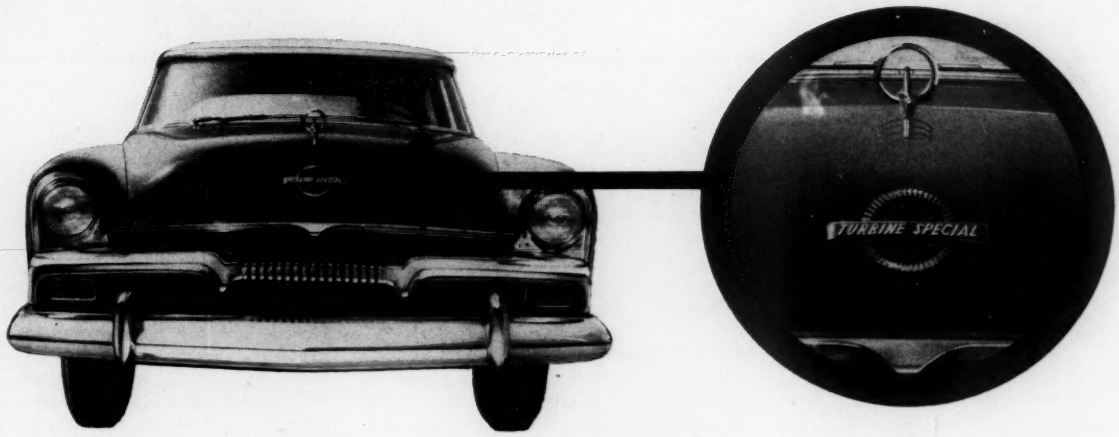
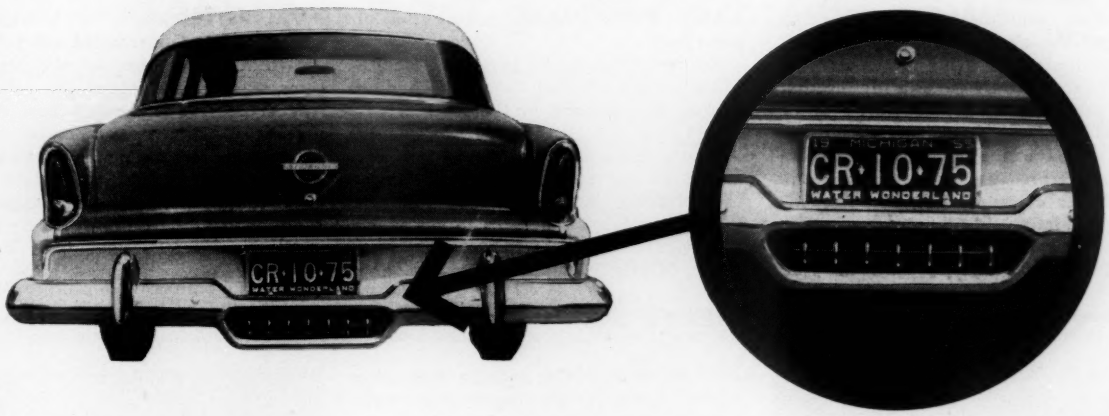


This, Too, Is THE *FORWARD* LOOK



What's different about this Plymouth?

Two things are different about this Plymouth. First, this is the one you can't buy. And second, the hood medallion and unusual exhaust, above, are clues to its radically different kind of engine—the Chrysler Corporation *gas turbine* engine!

This experimental car runs with no carburetor, no piston rings, no radiator, only one spark plug and on ordinary fuel you can buy anywhere. Although there are still years of research and testing ahead before Chrysler Corporation can say it should be mass-produced, this prototype is in operation *now*!

This is one of the many research projects, big and little, that are now in progress under the banner of THE FORWARD LOOK. As each new advance is perfected, it is made available to you . . . for it is the thesis of THE FORWARD LOOK to keep you ahead in car performance, in safety and in styling.

America has been quick to react to THE FORWARD LOOK. You have only to see and drive the new Plymouth, Dodge, De Soto, Chrysler and Imperial to know why these cars are winning such public acceptance. With this favorable reception from the motoring public, THE FORWARD LOOK is going full-speed ahead with new ideas, new designs—and a major program of expansion to keep up with your demand for Chrysler Corporation cars.

THE FORWARD LOOK is on the move! Keep your eye on it!

CHRYSLER CORPORATION

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Tops in TV Drama—"Climax!"—CBS-TV, Thursdays

955

PEOPLE ★ ★ ★ ®

OF THE WEEK

HARRY S. TRUMAN planned a return to San Francisco to address the United Nations in the city where it was born 10 years ago. The former President first rejected an invitation from Secretary of State John Foster Dulles to be his guest, which would have meant a secondary role, later welcomed a bid from U. N. Secretary General Dag Hammarskjold to speak at the session.

Mr. Truman told the delegates who adopted the U. N. Charter in June, 1945, that they created "a solid structure upon which we can build a better world." At the U. N. General Assembly's first meeting in New York, in October, 1946, he again addressed the international organization, said the meeting there emphasized the abandonment by the U. S. of isolationism as a national policy.

Five years ago this month Mr. Truman gave substance to that declaration, informed the U. N. Security Council that U. S. armed forces would help the Republic of Korea resist aggression by the Red North Koreans, won the Council's recommendation that all member nations send military aid to South Korea.

Mr. Truman, at 71, enjoys being elder statesman of the Democratic Party. He says he has no ambition for any political office but is available for front-line campaigning in behalf of fellow Democrats. He is completing work on his memoirs at home in Independence, Mo.

CAREFUL DIRECTOR of Canada's successful vaccination program against polio is **Paul Martin,** just turning 52, Minister of National Health and Welfare. He has a deep, personal interest in seeing that the work is carried out with the most rigid safeguards. Mr. Martin was a victim of paralytic polio as a child; has virtually overcome its crippling effects. His son, Paul, Jr., also contracted the disease, suffers partial paralysis.

Educated as a lawyer, the Health Minister was elected to the Canadian House of Commons in 1935, has represented the district of Essex East, in Western Ontario, ever since. He was named to his first Cabinet post—Secretary of State—in 1945, has been one of his Government's delegates to the U. N. at various sessions in the last 10 years.

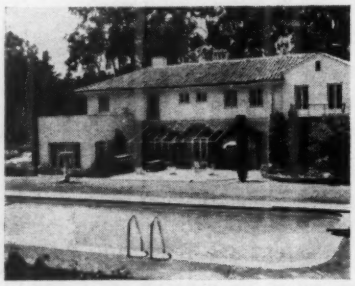
Mr. Martin began planning Canada's inoculation program last September, earmarked $750,000 of federal funds to make sure of volume production of Salk vaccine, then undergoing tests in the U. S. When the vaccine was approved, the Canadian-produced supplies were double-checked for purity, then issued to provincial health authorities. Now more than 800,000 Canadian children have received at least one shot each; 400,000 of these, two shots. No ill effects from the vaccine have been reported. One case of paralytic polio developed—but it was shown that this child already was infected with the polio virus when he received the shot.

VAL PETERSON is the worried man who sent top Government officials fleeing from Washington for the first time since the British sacked the capital in August, 1814. The Civil Defense Administrator, warring on complacency in the age of the H-bomb, planned the mock atomic bombing and evacuation of 61 American cities, called it "Operation Alert," meaning "wake up!"

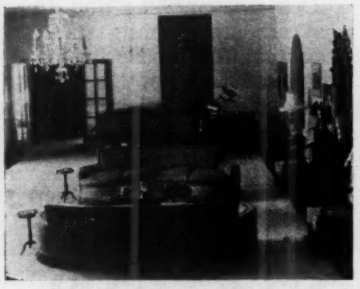
An Air Force veteran, Mr. Peterson

(Continued on page 16)

RUSSIANS CARRY "SOFT" POLICY TO CALIFORNIA



THE OUTDOOR POOL



FORMAL LIVING ROOM

V. M. MOLOTOV and his delegation to the United Nations tenth-anniversary meeting are combining Russia's new "soft talk" policy with some "soft" living in the $400,000 home of a San Francisco used-car dealer.

Molotov, reportedly on his way out as Soviet Foreign Minister, may be plotting a new double cross of the West, hoping to avoid the purge treatment he engineered for so many of his early comrades in the Communist Revolution. Crossing the Atlantic on a luxury liner, he ate his meals in the public dining room instead of in his cabin, mingled with other passengers on the decks, signed autographs. In New York, he toured 40 rooms of the Metropolitan Museum of Art, praised the work of American artists, spoke graciously to officials and guards.

In the rented home of Neal McNeil in Hillsborough, Calif., Molotov and his staff have the use of 12 bedrooms, 10 baths, on a 4-acre estate with an outdoor swimming pool. For lower-echelon Russians, 24 reservations were made in one hotel, 27 in another.

ONE OF 12 BEDROOMS

THE DINING ROOM

SAFETY is a far greater problem now!

MAYBE you have memories of scenes like the one above when the "horseless carriage" was just beginning to roll along our roads and streets. You may remember, too, how careful the drivers were . . . and how everyone took precautions to avoid accidents with the new and wonderful machines.

Automobile safety was important then, but it is far more so now. This is because the modern car is such a sensitive and powerful machine . . . and because today our streets and highways are crowded with over 58 million registered motor vehicles. Furthermore, most city streets were laid out when horse-drawn vehicles were the principal means of transportation.

Safe motoring is, of course, vital the year round if the toll of lives from motor vehicle accidents is to be reduced. That toll now amounts to more than 36,000 fatalities a year.

During the summer, motorists on weekend outings or long distance touring are especially tempted to be careless. Such drivers are frequently in a hurry to reach their destinations, and often try to crowd too much mileage into too little time.

This get-there-quick urge may lead to dangerous situations . . . and rob motoring of its fun. So, before you get behind the wheel this summer, would it not be a good idea to take a look at your driving habits? Here is a quiz that you can take. Your score may determine how safe you, your family and others on the road will be.

Count 10 points for each question	Your Score	Perfect Score 100	Your Score
1. Are your brakes in proper working order?		**6.** Do you keep in line when nearing the top of a hill or a sharp turn?	
2. Do you carefully observe all traffic regulations, particularly about speed?		**7.** Do you slow down at darkness so you can stop within the distance illuminated by your headlights?	
3. Do you watch movements of other cars and try to anticipate what their drivers will do?		**8.** Do you have your car checked before starting on a long trip?	
4. Do you always stop driving when you feel fatigued or ill?		**9.** Do you give other motorists a break by signaling in ample time before stopping or changing direction?	
5. Do you drive with extra caution when pedestrians, especially children, are about?		**10.** Are you familiar with the distances required to bring your car to a stop at various rates of speed?	

Every time you take the wheel . . . remind yourself that your driving is, at the moment, your most important responsibility. Then you will be a better driver, a safer driver. Most importantly, you will be doing your part to make our streets and highways less hazardous for everyone. At the same time, you will increase the pleasure of your driving.

Metropolitan Life Insurance Company
1 Madison Ave., New York 10, N. Y.

Please send me a copy of your booklet, *How's Your Driving?*, 755-K.

Name_____

Street_____

City_____ **State**_____

served in the Burma-India Theater during World War II, knows the effects of aerial bombardment. He came to Washington two years ago after three terms as Governor of Nebraska, became President Eisenhower's civil defense adviser. Since then, he has fought public apathy, lukewarm support in some Administration circles, criticism from Congress, even defiance from some local civil-defense officials.

Mr. Peterson believes the H-bomb makes big bomb shelters useless; says the best type of shelter is "the old-fashioned Kansas cyclone cellar." He advocates the mass evacuation of big-city populations to the countryside when warning comes of an impending attack. With the publication earlier this year of new word on the terrible power of the H-bomb, he advised everyone to build some sort of shelter "right now," stock it with food and water to last five or six days.

› **GORDON GRAY** once again has been tapped by the White House for a big job. The 46-year-old president of the University of North Carolina is President Eisenhower's choice to be Assistant Secretary of Defense for International Affairs. His task: supervising the Administration's proposed 1.7-billion-dollar program for foreign military aid.

Inheritor of a tobacco fortune, Mr. Gray is a Democrat, publisher of two newspapers in Winston-Salem, N. C., once got up at dawn to deliver the papers to his neighbors when his son, a carrier, was sick. He entered the Army as a buck private, came out in 1945 as a captain, four years later was bossing the whole show as President Truman's Secretary of the Army.

By his work on "hot" assignments under two Presidents, Mr. Gray has earned a reputation as a devoted public servant. For Mr. Truman, he surveyed the program of foreign economic aid; served as director of the Psychological Strategy Board, co-ordinating nonmilitary aspects of the "cold war." For President Eisenhower, he served as chairman of the security review board that found atomic scientist Dr. Robert Oppenheimer a loyal citizen but withheld security clearance from him.

› **A PIONEER AIRMAN** is urging the U. S. Navy to get ready for the time when atomic power will propel the fleet and fuel its airplanes. Secretary of the Navy **Charles S. Thomas** foresees sharply lowered production costs that will make atomic engines available to the Navy far sooner than was thought possible, wants everything shipshape for the change-over.

It will be a far different Navy from the one he knew as a naval aviator in World War I. Then, he flew a plane so weakly powered it took an hour to climb to 6,000 feet. After his military service Mr. Thomas entered the investment-banking business, became head of a California clothing-store chain. He returned to the Navy as an assistant to the Secretary during World War II, later was named by President Eisenhower to untangle a snarl in the military establishment's supply forces. He put in an inventory system designed to cut the number of items stocked from 4.5 million to 2 million by the end of next year.

Mr. Thomas is a strong defender of the Navy's supercarriers, says they could dish out more damage than they would receive in an atomic war. He has warned that Russia is most dangerous undersea; that the Reds have about 350 submarines—twice the number the U. S. now has and seven times as many as Germany had at the start of World War II.

› **WALTER REUTHER** is riding the crest of a wave of success as a result of his one-two punch that won guarantees of company-paid benefits to idled workers at Ford and General Motors. The precedent-setting contracts emphasized that the Auto Workers' president is the dominant figure in the American labor movement, fixed the pattern for union demands in other industries.

For Mr. Reuther, 47, red-haired, dynamic, it was the highlight of a career that started in 1936 when he led a union local of only 13 members, with $5 in its treasury. It helped erase the memory of the days when he had to hitchhike to conventions, of the time when he was beaten up during a riot at Ford's Rouge plant in 1940.

The CIO president went to work for Ford in Detroit after finishing high school in Wheeling, W. Va., became active in the then-unrecognized union. He was fired, toured Europe on a bicycle studying labor and social conditions. Mr. Reuther is the intellectual type of union leader, does not drink, smoke or play cards, works constantly in behalf of a stronger voice for labor in management's councils. His vigor is undiminished by wounds he suffered in 1948 when a shotgun blast almost killed him, left his right arm crippled. He will lose his presidency of the CIO if that organization merges, as scheduled, with the AFL; will remain as the Auto Workers' president.

IKE MEETS "OLD FOX"

—USN&WR Photo

PRESIDENT & CHANCELLOR

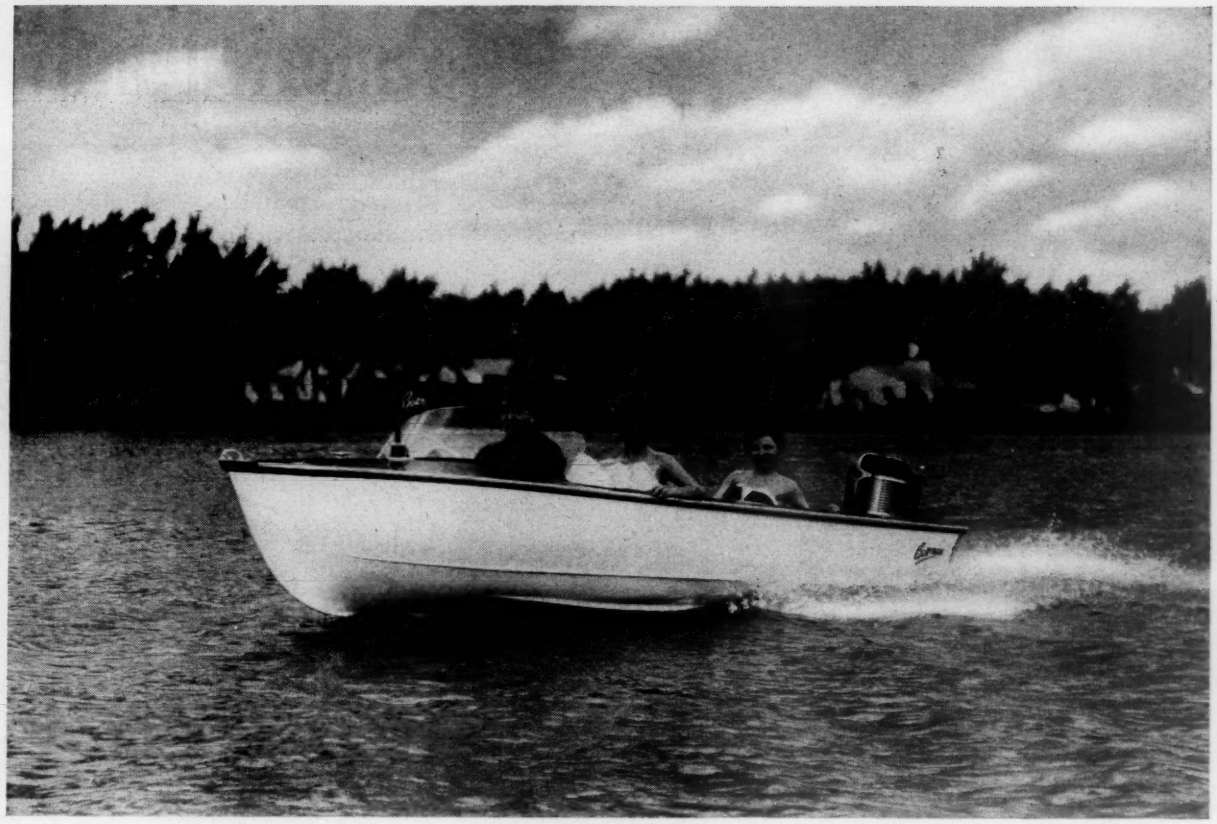
› **KONRAD ADENAUER,** courted by both East and West, returns to Germany after giving President Eisenhower his pledge he will not desert the West for any rosy Russian promises. His theme at official and private talks while visiting the United States: Western nations have a common enemy—Communism.

The West German Chancellor, 79, known in Bonn as "the Old Fox," is emerging as one of the world's most important statesmen. Yet he became a national figure in Germany less than six years ago.

A Roman Catholic, he fused Catholics and Protestants into the Christian Democratic Union, steered his party along a pro-Western, anti-Russian course, unified the German people behind him. He is a tough negotiator, stern-featured, inclined to be gruff. The masklike character of his face results from plastic surgery following an automobile accident in which his facial muscles were cut by flying glass.

—Shoemaker in the Chicago News

"TOPIC OF CONVERSATION"



Out of Aeronautical Pioneering

comes a strikingly new Plastic Boat!

COMPLETE boat hulls with ten times the impact strength of either wood or aluminum are being molded of a new, high-strength aircraft-type plastic in one piece — including ribs and transom — by Goodyear Aircraft Corporation.

The reinforced plastic outboard motorboat hulls are being fitted out and marketed by Bowman Inc., Little Rock, Arkansas, in a variety of reasonably priced sports, runabout and fishing models.

High Performance and Safety

Included in the construction is a molded-in flotation member which makes the boat virtually unsinkable. The craft possesses all the fine performance qualities of properly designed wood boats — maximum maneuverability, extreme seaworthiness in choppy water, and speeds in excess of 40 m.p.h. when powered by larger outboard motors.

No Maintenance or Storage Problems

Their fabrication employs techniques pioneered by Goodyear in building large exterior structural plastic sections for many of today's high-speed jet aircraft — and the advantages are numerous and spectacular.

Several years of testing this type laminate in the arctic and the tropics has convinced Goodyear Aircraft engineers that this resilient reinforced plastic material is modern science's best answer to the boating enthusiast's desire for one-piece seam-free hulls which will not seep water, craze, pit, check, develop fatigue cracks or leak.

A Revolution in Structural Plastics

Bowman Boats are a forerunner of a host of important new products to be mass-produced in structural plastic by Goodyear Aircraft. The facilities—including a battery of new presses from 100- to 700-ton capacity and platen sizes up to 7 x 14 feet — are one of the largest and most modern of their kind in the nation. For information on how they might serve you, write: Goodyear Aircraft Corporation, plants in Akron 15, Ohio and Litchfield Park, Arizona.

GOODYEAR AIRCRAFT

New Materials and Methods for Industry—the result of aeronautical pioneering

A GENERAL ELECTRIC PROGRESS

America moves

Private industry, working with our government, is making bold plans for atomic electric power; by 1980, 65% of all generating plants being added that year may be atom-powered

Ten years ago, the most important single fact about the atom was its potential power as a weapon of war. Today, most important is the atom's tremendous promise as a source of peacetime power.

How well is America doing in developing this peacetime power? How soon will atom-made electricity be widespread?

Where do we stand today?

Our government is taking major strides to release atomic information to U. S. companies, and to invite them to share in atomic development. The outlook is promising.

For example, General Electric has been chosen by the Nuclear Power Group, Inc., to build the largest all-nuclear atomic electric plant yet announced. The plant, which will serve the Chicago area, will be owned and operated by Commonwealth Edison Company,* and is expected to be in operation within five years.

The Yankee Atomic Electric Company, representing a dozen New England power companies, has plans to build an atomic electric plant in western Massachusetts.

33 other companies — 25 of them electric utilities — have joined together as the Atomic Power Development Associates, Inc., to concentrate on research for the economic utilization of atomic energy for electric power. Part of this group plans to have a breeder-reactor-type atomic electric plant operating in the Detroit area by 1959.

Many homes in the New York City area, if present plans work out, may have atom-made electricity within five years.

These are only a few of the peacetime atomic energy programs now under way in the United States. By 1970, our forecasts indicate, 14% of all new generating plants built in the U.S. will be atom-powered. And by 1980, the atom's share of plants built that year may be 65%.

The free world's security depends on progress

These plans and forecasts are encouraging, for the fate of the entire free world may well depend on how swiftly America develops wide peacetime use of atomic energy.

*Co-sponsors of the project include: American Gas and Electric Service Corporation; Bechtel Corporation; Central Illinois Light Company; Illinois Power Company; Kansas City Power and Light Company; Pacific Gas & Electric and Union Electric Company of Missouri.

REPORT

to produce electric power from the atom

Atomic electric plant of the future? This model shows what a power plant built to produce atom-made electricity might look like. *At right,* Francis K. McCune, General Electric Vice President and General Manager of our Atomic Products Division, points out a symbolic view of an atomic reactor housed in the protective steel sphere. If you would like a copy of a 16-page illustrated booklet, "Putting the Atom to Work," plus a full-color diagram showing how electricity can be made from the atom, write General Electric, Department C2-119, Schenectady, New York.

England and other European countries are hungry for the abundant electric power that the atom promises. They see it as a chance to regain the stature they had before their resources were wasted by war. "Have-not" Asia and Africa, and large, undeveloped areas of Latin America need it for their industry and their people. And so nuclear energy, for Russia, has become a long-range instrument for economic and political dominance. Communism *plus* atomic power might convert the world where Communism *alone* has failed.

For America, the problem is clear-cut; we must make swift, broad progress in developing peacetime atomic energy for the world. We must be ready with the promise of atomic fuels and technical knowledge sooner than anyone estimated. How can this be done?

Competition will spur achievement

In our opinion, America's atomic progress will continue—and become even faster and bolder—as more and more competing private manufacturing companies apply their skills, efforts and capital to the problem.

General Electric has been engaged in basic nuclear research since the 1930's. Today more than 12,000 of our employees are assigned to atomic projects. For the government, we are producing plutonium at the Hanford Atomic Works... building a submarine atomic power plant in West Milton, New York... developing a nuclear propulsion system for aircraft at Evendale, Ohio . . . studying possible portable nuclear plants for the Army. Canadian General Electric will build Canada's first atomic electric reactor near Chalk River, Ontario.

We have established a department to design, develop, manufacture and market atomic power equipment for peacetime use. Just recently this department announced the design of a new dual-cycle boiling reactor, which provides for greater efficiency and overcomes many of the problems inherent in earlier power-reactor designs. In the next few years, we expect, our work in peacetime atomic energy will double and redouble. And the field is so big and so vital that there is almost unlimited opportunity for many more companies.

American free enterprise has made it possible for the U. S., with only 6% of the world's population, to produce almost 50% of the world's energy and industrial output. Working with the government, private companies have already begun to turn a major source of fear into a major source of fuel, and they are ready to risk their money and their time to do more. As we see it, this is progress in the American way.

Progress Is Our Most Important Product

GENERAL ELECTRIC

SPERRY GYROSCOPE COMPANY

...goes to sea with Texaco

This is M/V "WANDERER", *Sperry Gyroscope Company's new floating laboratory. She's an all-important vessel used to test advanced Sperry Navigational aids under actual marine conditions. And her all-important diesel engines are lubricated with Texaco!*

SPERRY GYROSCOPE has been strong on Texaco for a long time. For 8 full years, this ship's predecessor, the M/V "WANDERER", used Texaco with outstanding results. Over this entire period — and under severe conditions — Texaco Lubrication gave Sperry consistently clean operation . . . low maintenance costs . . . minimum fuel consumption. That's the very good reason why the new "WANDERER" is another Texaco-lubricated ship.

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SPERRY GYROSCOPE Company is just one of the many famous firms which have achieved top results with Texaco. There are three good reasons for this wide acceptance: *field-proven* Texaco Lubricants, developed with the aid of the finest research facilities available . . . *field-experienced* Texaco Lubrication Engineers to advise on their use...and *fast, efficient service* from over 2,000 Texaco Distributing Plants in all 48 states. This combination can help bring production *up* . . . and costs *down*...in every major field of industry and transportation.

One agreement of sale supplies all your plants wherever located. For details, call the Texaco Distributing Plant nearest you, or write The Texas Company, 135 East 42nd Street, New York 17, N. Y.

TEXACO

INDUSTRIAL LUBRICANTS

TEXACO REG. T.M.

VOLUME XXXVIII—No. 25 U.S. News & World Report WASHINGTON, D. C.

WHAT'S THIS ABOUT A U-BOMB?

If "Ultimate" Weapon Exists, U.S. Already Has Exploded It

Here you get all the known facts behind reports of an awesome new weapon—the U-bomb.

As described in these reports:

The U-bomb is a superweapon that uses the "fission" principle of the A-bomb and the "fusion" principle of the H-bomb.

Does U.S. really have such a weapon?

Many scientists think it was a U-bomb that went off in the test at Bikini in 1954. They find confirmation in an AEC official's speech.

All this lends new importance to a Navy report, detailed below, on radiation effects following the big Bikini blast.

The reports now are of a U-bomb, successor to the H-bomb, which in turn was successor to the original A-bomb.

A U-bomb is pictured as the ultimate weapon—one that can be made big enough to produce a blast of unlimited power.

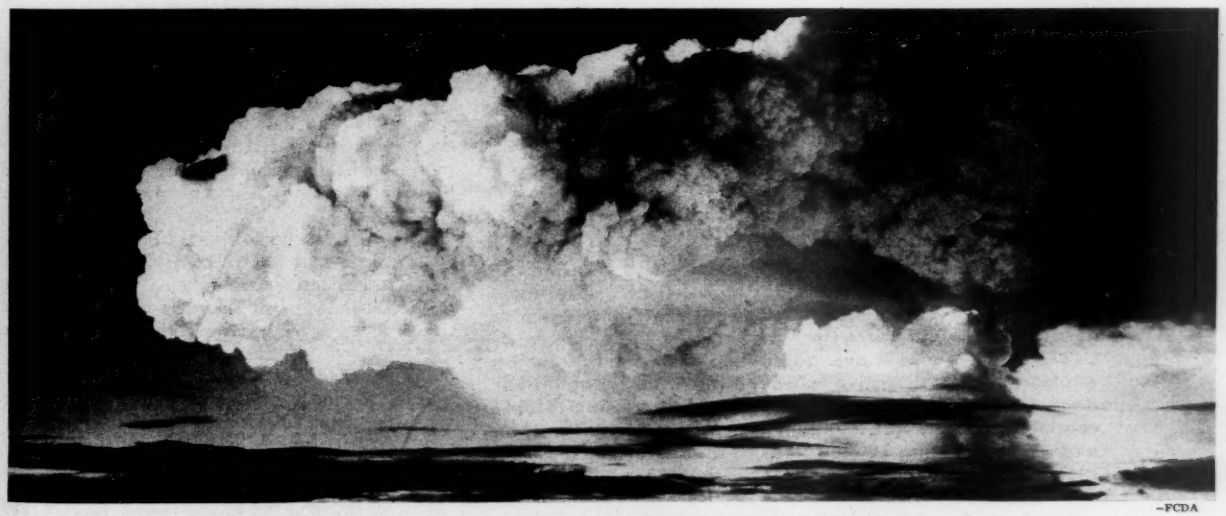
To set off the U-bomb, an A-bomb is described as detonating an H-bomb, which then explodes the U-bomb.

In this process, the atom is split in the A-bomb explosion. The great heat generated by this splitting then fuses the atom in the H-bomb. H-bomb fusion, in turn, provides the much greater heat and energy needed to split the atom of ordinary uranium—an abundant element.

All of this conjecture flows from a speech by scientist Willard F. Libby, member of the U.S. Atomic Energy Commission.

Dr. Libby, in an address at an alumni reunion at the University of Chicago, used the word "fission"—meaning to break apart—in describing the kind of explosion that occurs in the latest weapon in the atomic arsenal. This is seen as an indication that the latest weapon is not the H-bomb, in which the explosive power is generated by "fusion"—meaning to join together.

Existence of a "U-bomb," however, is



—FCDA

THE H-BOMB: IS IT JUST A "TRIGGER" FOR THE U-BOMB?

not confirmed officially. Neither is it denied officially.

What is known as a fact is this:

The explosion that occurred on March 1, 1954, on Bikini, one of the Marshall Islands in the Pacific, was an explosion of the latest-type bomb. Describing this bomb, AEC Chairman Lewis L. Strauss spoke of it as a "totally new weapon."

Regardless of what the bomb is called, H-bomb or U-bomb, official information is available as to its destructive effects, and its threat as a source of radioactive fall-out.

Fall-out from the superbomb. A report by the United States Navy of fall-out effect upon natives of the Marshall Islands following the Bikini bomb explosion provides one official source of factual information. This report has just been made public. The address by Dr. Libby concerning the effect on the American people of fall-out from bomb tests is the other source of facts.

Radioactive material from the H-Bomb —or U-Bomb—tested March 1, 1954, fell like snow upon one of the Marshall Islands. The report now made public by medical scientists of the U. S. Navy says:

"The detonation of the device [bomb at Bikini] was observed in the early morning, and hours later the islanders noticed a snow-like material falling from the sky which continued for several hours. The material was visible on the ground and sifted into their poorly constructed thatched-roof houses.

"The material whitened their hair and clung to their skins. During that night and the next day or two, about three-fourths of the population developed nausea and a few vomited and had diarrhea. During this period also, many developed itching and burning of their skin and some reported burning of the eyes with lacrimation [tears]. They became concerned about the powder being 'poisonous' but made no serious effort to avoid the powder or to cleanse themselves adequately. Supervised personnel decontamination and medical care was not possible until evacuation to the nearby naval base at Kwajalein Island about two days after exposure . . .

"During the next few weeks there were repeated extensive efforts at personnel decontamination. The hair was particularly difficult to decontaminate, due to the heavy cocoanut oil which they used to groom it. The body radiation readings, however, gradually were reduced to background levels during this period."

Fall-out victims studied. Here, then, were people who could be studied. More than theory could be applied to the problem of what might happen to Americans caught in the fall-out from an enemy bomb. Scientists could find out what really happens.

These people had actually seen the fall-out dust. It was a mixture of radioactive materials from the bomb itself and pulverized coral that was forced high into the air by the bomb burst and carried by the wind to these islands.

The Navy medical team found the natives had received a radiation dose of 175 roentgens, which are units used to measure radioactivity. A dose of 400 will kill many of those exposed, and few people can survive a dose of 500 roentgens.

How did this radiation affect them? Many of them lost their hair. This was especially true of the children. Both children and adults developed skin sores, mostly on the feet, neck and scalp where they had been least protected from the fall-out material.

After a few weeks the skin sores began to disappear and hair came back. Pregnant women had no abnormal symptoms.

Here is what the Navy scientists conclude after more than a year of study and observation:

"Serious skin contamination of personnel from fall-out may occur many miles from the detonation of a nuclear device. Resultant radiation damage to the skin may be the major radiation effect under conditions where early evaculation from the field of radiation reduces the whole body exposure.

"Decontamination of the skin must be prompt to be effective because of the initial high beta [radiation] dose rate.

"A latent period of a few days to 3 to 4 weeks may elapse before signs and symptoms of skin damage are evident.

"Clothing and/or any type of shelter gives almost complete protection to the skin.

"It can be concluded from this experiment that the dosage or radiation and associated pancytopenia [damage to blood cells] observed is not sufficient to interfere materially with an individual's defense against common everyday infections."

Officials point out that these natives were not in the area of heaviest fall-out. They were on the edge of the area of 7,000 square miles covered by the "Bikini ash." In the center of this area, radiation in the first 36 hours varied from 5,000

(Continued on page 24)

EVOLUTION OF NUCLEAR BOMBS

Ordinary Atom Bomb—1945 model

Made from U-235, a rare form of uranium, and plutonium, a man-made element derived from U-238, the abundant form of natural uranium. Produces explosions in range of 20,000 tons of TNT.

Improved Atom Bomb—1951 model

Produces explosions in range of 500,000 tons of TNT.

Hydrogen Bomb—1952 model

Uses A-bomb explosion as trigger to "fuse" atoms of deuterium and tritium, which are heavy forms of hydrogen. Explosive force of "fusion" process is determined by size of bomb, can equal millions of tons of TNT.

Improved Hydrogen Bomb—1954 model

Called "U-bomb" by scientists, who theorize that it consists of an A-bomb, H-bomb, and a jacket of U-238 natural uranium. A-bomb is believed to set off H-bomb, which generates enough force to "fission," or split, atoms of U-238. This would make possible a superbomb, getting explosive and radioactive fall-out effect from cheap, abundant, natural uranium. Atomic Energy Commission refuses comment, but an AEC member has referred to a "nuclear explosion releasing 10 megatons of fission energy" (equivalent to 10 million tons of TNT).

When Radioactive Fall-Out Hit the Marshall Islands . . .
HERE'S WHAT ACTUALLY HAPPENED

A "very large" H-bomb—now being called a "U-bomb" by some scientists—was exploded at Bikini, Western Pacific atoll, on March 1, 1954. A new report from U. S. Navy doctors tells what happened to people on islands showered by bomb's dust.

WHO GOT HIT:

64 natives on one island got heaviest fall-out, absorbed 175 units of radioactivity, about 45 per cent of a lethal dose. 28 American servicemen, in area of slight fall-out, got 69 units of radioactivity. 18 natives in an area of moderate fall-out got 78 units. 157 other natives got 14 units of radioactivity in a place where no measurable fall-out was observed.

WHEN FALL-OUT CAME:

In area of heavy fall-out, radioactive dust fell like a light snow, for several hours. It covered the ground, sifted into natives' grass huts, whitened their hair, clung to their skin. They made no serious efforts to avoid the dust, or to wash it off.

FIRST EFFECTS ON NATIVES:

On hardest-hit island, three out of four natives had mild nausea soon after exposure. One or two vomited. Many developed itching, burning of skin. Some reported that their eyes burned, smarted.

AFTER AID ARRIVED:

Two days after fall-out, a U. S. medical team got to the island where fall-out was heavy. First symptoms of fall-out victims had subsided. "All personnel were found to be in relatively good health and the only indication of radiation injury was change in the blood picture." (White and red blood cells were reduced below normal.)

12 TO 14 DAYS LATER:

Nine out of 10 children, about 1 out of 4 adults, began to lose their hair. Skin sores showed up among heavily exposed persons, usually on feet, neck and scalp unprotected by any clothing.

IN NEXT FEW WEEKS:

80 per cent of sores disappeared. About 20 per cent, of deeper nature, persisted longer, left roughened or discolored skin.

NINE WEEKS AFTER BLAST:

Hair began to grow back on those who had lost hair.

SIX MONTHS AFTER BLAST:

Most skin marks had disappeared. Blood conditions were improved, approaching normal. Exposed persons threw off ailments, including colds, as readily as nonexposed people.

Source: Report of June 9, 1955 from Naval Medical Research Institute, and U. S. Naval Radiological Defense Laboratory.

roentgens at a point 10 miles from the blast to 300 roentgens at a point 190 miles downwind.

Even within high-radiation areas, officials emphasize, people can avoid a high percentage of the radiation effects by taking shelter and cleansing themselves promptly.

Danger from bomb test? These latest disclosures, in the Navy report and in Dr. Libby's speech, have raised again the question of radiation in the atmosphere due to atom-bomb tests.

According to Dr. Libby, who discussed the subject at length in his Chicago speech, radiation over the U. S. has, at all times, been far below the danger level. He told his audience that the total radiation dose received due to all nuclear explosions in 1954, the year the Bikini bomb was touched off, was .015 roentgens. You get 15 roentgens in one spot when you have an ordinary set of dental X-rays.

On Jan. 1, 1955, 10 months after the Bikini explosion, the radiation dose over the U. S., due to nuclear explosions, was at the rate of only .001 roentgens per year. Workers in plants of the Atomic Energy Commission are permitted to receive up to 15,000 times this amount in a year.

"The world in all its parts," said Dr. Libby, "is radioactive and always has been. . . . In fact, the radioactivity of the human body and the nature of its radiation is such that people receive dosages from one another which are measurable. . . . It can be calculated that people packed in a dense crowd receive about .002 roentgens per year dosage from the radioactive potassium in their neighbors' bodies, somewhat more than that which applied in the U. S. on January 1 of this year from the total test fall-out."

The cosmic rays in the atmosphere, various kinds of rock, and even luminous paint on wrist watches give off radiation in amounts surprising to the layman, Dr. Libby told his audience.

A person living in Denver receives about half again as much radiation as his cousin who lives in Washington, D. C., which is about at sea level. This is because the radiation from cosmic rays is greater at higher altitudes. For the same reason, an airplane pilot who spends a good bit of his time flying at 20,000 feet absorbs much more radiation than a business executive who spends most of his time at a desk.

Uranium miners, points out Dr. Libby, are exposed to even higher dosage rates because uranium-bearing rock will give them radiation at the rate of 2.8 roentgens a year in an open mine. In a shaft mine the dosage is double this—5.6 roentgens a year. Yet this is only a little more than a third of the annual dosage of 15 roentgens considered safe for workers in Atomic Energy Commission plants.

Unlimited devastation? Although AEC officials are convinced that there is no danger to U. S. citizens from increased radiation in the atmosphere due to atom-bomb tests, their reports leave no doubt as to the destructiveness of this latest bomb. Its explosive power dwarfs that of its predecessor, the H-bomb exploded in 1952.

The 1952 bomb caused complete destruction 3 miles from the blast center and light damage 10 miles away. But the 1954 blast at Bikini created an area of total destruction extending more than 12 miles from the blast center. Direct damage was inflicted up to 40 miles away and pressure from the burst shook an island about 200 miles away.

The size of the Bikini bomb has never been officially reported. However, Dr. Libby in his Chicago speech referred to a "nuclear explosion releasing 10 megatons [10 million tons] of fission energy."

Scientists who have described this ultimate weapon as an A-bomb and an H-bomb wrapped in a blanket of ordinary uranium say it can be made many times bigger because of its comparative simplicity and the cheapness of ordinary uranium.

That is for the future. The 1954 bomb at Bikini, whether H or U, was the biggest ever set off. People nearby who received close to half a lethal dose of radiation from the fall-out apparently have recovered completely. Government officials in U. S. take this as additional confirmation of what AEC has said all along: The small amount of radiation Americans have received from atom tests is no cause for alarm.

For what happened to the Government during a simulated attack by A-bombs and H-bombs, see Page 66.

How Much Radiation in U. S. From A-Tests

Total radiation received by Americans from all tests since 1945 averages 1/10 of a roentgen.

IN ONE YEAR—

- **A person living in Washington, D.C., at about sea level, gets this amount from natural radiation in the earth and atmosphere.**
- **A person living in Denver gets 1½ times this amount due to greater radiation from cosmic rays at the higher altitude.**
- **An airplane pilot, flying at 20,000 feet, gets 4½ times this amount from cosmic rays.**
- **A worker in an open uranium mine gets 28 times this amount from the uranium rock.**
- **A worker in an Atomic Energy Commission plant is allowed to receive 150 times this amount.**

AEC Commissioner Willard F. Libby says:

"As far as immediate or somatic damage to the health is concerned, the fall-out dosage rate as of January 1 of this year in the United States could be increased 15,000 times without hazard.

° ° °

"Considering all of these things it is quite clear that the natural radioactivities of the body, the effects of the cosmic radiation and the natural radiation of the radioactivities of the earth's surface constitute hazards which are much greater than the test fall-out hazards."

Source: basic data: Atomic Energy Commission

ANOTHER PRICE SPIRAL AHEAD?

None in Sight—Most to Expect Is Creeping Rise

You can look for some price increases, now that wages are going up again.

Fears of inflation, however, are overdone.

What's ahead is a creeping rise in prices, not any sudden spurt.

The average consumer, in fact, may hardly notice the difference.

Higher prices will center in the things industry buys.

Steel, very probably, will go up. Some other materials already have been rising—copper, lead, aluminum, rubber, paper.

Huge U. S. capacity to produce will head off another runaway in prices.

A "feel" of inflation is in the air again. The news is beginning to be dotted with price increases. Pay of workers is well along in the tenth round of raises since World War II. This, in turn, suggests more price rises.

People are tending to put more and more money into common stocks as a hedge against a cheaper dollar. In the back of many minds, obviously, is fear of another upward spiral of prices.

Three of these spirals have occurred in the past 15 years. The first came with World War II. It was checked by wage and price controls. A second came when war controls ended in 1946. There was a third spiral when war broke out in Korea. After Korea, the level of prices declined moderately.

Now it is being asked again: Is another spiral at hand?

The answer, so far as present trends can be appraised, is: No. There is no sign of a fourth spiral of inflation in the near future.

Some slow increases. The outlook, instead, is for a creeping rise in some prices. This price rise will be due in large part to higher costs that flow from wage increases. The rise in costs, at the same time, will be offset in part by greater efficiency that is being made possible by the large-scale investment in new plant and equipment.

A spiral of inflation almost always has been related to war or the immediate aftermath of war. But creeping prices have gone along with increases in the money supply and in the volume of debt, or with a growing supply of gold when money was tied to gold.

All of this suggests that the average family need not fear that prices suddenly are going to shoot up. It is improbable that, in a period of peace, the dollar will lose value as it lost value during and after World War II and during the early stages of the war in Korea. While prices are likely to go a bit higher for some things, they may at the same time decline moderately in other areas.

$70 more cost per car. The auto industry faces an increase of about $70 in the cost of manufacturing an average car. This increased cost stems from the coming increase in wages, and the cost of building a fund for paying wages to workers who may lose their jobs, plus a rise in material costs. It is probable that a steel-price increase will follow a coming boost in wages. That means higher material costs for manufacturers of any number of products, ranging from furniture to electric irons.

Other prices already have climbed a bit. Most building materials are marked up and are rising slowly. Copper, lead, zinc and aluminum cost more now than a few months ago. Paper prices have just been raised again. Rubber has advanced rather sharply because of strikes in Singapore.

It is noticeable that most of the price rises now taking place tend to center in products that are used mostly by industry. There has not been much of a gain in the final price of things bought by consumers.

That pattern can be expected in months ahead. Industry has demonstrated an ability to absorb higher costs. For example, wage raises now taking shape are likely to add about 6 per cent to hourly labor costs. But better efficiency produces more output for each hour of labor. Analysts believe that the actual increase in costs as a result of higher wages can be held to around 3 per cent.

2 per cent price rise. In general, the Government's official index of wholesale prices is not expected to advance much more than 2 per cent in the period ahead.

This does not mean that all prices will be held within the 2 per cent range. There will be variations, with some materials, such as steel, rising more than the average. Farm

—United Press

FOR SHOPPERS . . .
. . . some increases, some bargains

products seem to be headed for another mild decline in price. Surpluses of wheat and cotton and some other products will remain large, despite production controls, and this will act as a drag on market prices.

For the average household, this trend is not likely to mean much. As a matter of fact, the housewife is finding that her costs, here and there, are a trifle lower than they have been. To the careful shopper, bargains are available in many stores.

Living costs, over all, are down slightly—1 per cent—from the peak reached in October, 1953, and have held steady for three months in succession.

Food costs, particularly for meats, have been a bit lower. Recently hog prices have jumped rather sharply, indicating higher pork prices for the family meal. Beef, however, is abundant and cheaper than it has been for some time. And pork supplies are expected to increase next autumn. The outlook is that food prices, in general, will edge a bit higher in months ahead because wage costs in processing and distribution are likely to rise more than farm prices will drop. Demand for food will stay high, so the signs are that higher costs will be reflected in price. But the increase is expected to be slight.

Clothing prices have been sliding off for almost four years now. The signs now are that the decline in clothing prices has come to an end. But there are few indications of any significant price increase. A similar trend is in sight for shoes.

Rents: down slightly. Rents, which have been rising gradually in recent years, probably have reached their peak. The official rent index declined last month for the first time in years. However, the fact that family incomes are high and promise to go higher is a sign that rents probably will not dip much more.

Other costs of running a home are tending to go higher. Fuel costs and utility charges are rising a bit. The price of home furnishings also is up.

It is likely to cost a bit more to get from home to work and back. Transportation costs are down a bit on the official index because used-car prices have slipped, but repairs and maintenance costs are expected to go up. Charges for public transportation are increasing and the rise probably will continue.

People also may pay a bit more for haircuts and beauty treatments as higher wages spread through the working force. These costs of personal care are determined almost completely by the cost of labor. Medical bills are tending to go up because of higher charges by physicians, dentists and hospitals. Medical costs also are increasing—in part because families with comfortable incomes pay more attention to their health.

When you add up these living-cost items, the conclusion is that, all in all, family expenses will be up a bit. But no sharp rise is indicated in any field, and it is doubtful if the family pocketbook will be pinched very much.

Record output. The basic reason for not expecting a spiral of inflation is found in the capacity of the country to produce. The output of the nation's factories now is at an all-time high, but there is room for still greater output in almost every field. Even the booming steel industry is operating at a rate that is somewhat lower than capacity. This capacity, coupled with gluts in farm commodities, will tend to act as a damper on any sharp price rises.

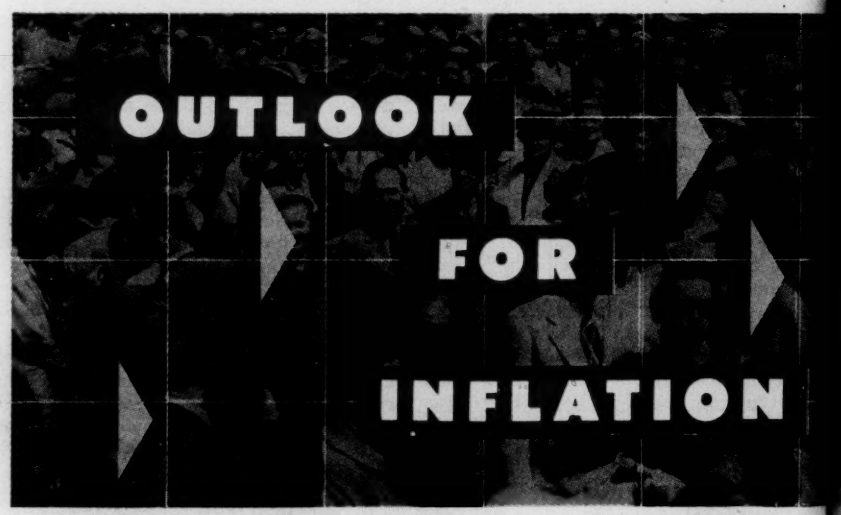
You see the effects of large capacity even today. Automobile sales are close to a record, and automobile output has led the boom in recent months. Yet dealers are competing so vigorously for sales that overallowances for used cars and discounts from the list price of new cars are widespread. It is quite possible that, even if factory prices of cars are increased to cover higher wage costs, some of the increase will be absorbed by distributors and dealers before it reaches the final buyer.

What's going on in autos is occurring in other fields, too. The postwar growth of discount houses has led to substantial markdowns in the prices of many appliances. To meet that competition, department stores have followed the discount course. The result is that customers are being attracted by a whole series of price cuts. When such conditions prevail, there is no inflation in sight.

Competition, in other words, is tending to hold prices in check. The same competition can be expected to force sellers, from manufacturer to retailer, to try to absorb the increase in costs that will result from rising wages. That means a squeeze on profits for the higher-cost operators.

Some gains not in cash. Another point to note is that not all of the added wage costs being made in this year's labor contracts are going into pay envelopes. A good slice is going into fringe benefits, such as pensions and funds to guarantee future wages when workers are laid off. The result is that the buying power of workers is not increasing apace with the higher costs of labor. This will have the effect of tempering the demand of workers and their families for more goods.

Wage increases now being granted, thus, are adding only moderately to the cost of manufacturing and to the immediate buying power of workers. Present demand for goods, though high, is not putting any great strain on industry's ability to produce goods. Conditions, therefore, are not favorable for broad inflation.



The general level of prices has been remarkably stable since 1953. Throughout the recession of 1954 and the boom that has followed, the cost of living has changed hardly at all. Price increases in some lines have canceled out price declines in other lines. The same pattern of stability has shown in the level of wholesale prices.

But you can count definitely on the prospect that prices at least will tend to harden and, in some fields, will edge higher.

How U. S. families are fixed financially—page 28; and an article on the rising costs of farm lands, page 92.

In the coming year—

WHAT'S AHEAD FOR THE INDIVIDUAL

★ Cost of food, some other items may rise a bit.
★ Clothing prices will stay about the same.
★ Rents show some tendency to decline.

RESULT: Not much change in living costs

WHAT'S AHEAD FOR THE BUSINESSMAN

★ Wage costs are likely to rise about 3 per cent.
★ Costs of some materials can be expected to increase.
★ Prices of finished goods will tend to edge upward.

RESULT: A squeeze on profits for some firms

WHAT'S AHEAD FOR THE FARMER

★ Farm prices are expected to fall about 2 per cent.
★ Farm production costs will edge higher.
★ Farmers' living costs will stay about the same.

RESULT: A moderate dip in income

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How U.S. Families Are Fixed

They're Earning, Spending and Owing More

For those who wonder how long consumers can go on buying and borrowing, there is good news.

A new Government study of family finances finds the typical householder well off.

He is not overburdened with debts. He is not gambling in the stock market. He has some savings and a rising income.

This article gives you a picture of the average family.

After 15 years of prosperity, an official check of family finances in the United States shows this:

- The typical American family today earns 40 per cent more than it earned just after World War II.
- Incomes of the great majority of people have gone up a good deal faster than the cost of living; there is a great gain in purchasing power.
- The typical family has bought two or three cars, a television set or two, and some costly appliances in the last 10 years and still has money saved up.
- Debts are rising, but the average consumer is far from overloaded.

Who Has the Most Savings

One tenth of U.S. families own 65 per cent of all family-held liquid assets*
The next two tenths of families own 27 per cent
The next three tenths of families own 8 per cent
The bottom four tenths of families own less than 1 per cent

**Government bonds, bank accounts, postal savings, shares in savings and loan associations and credit unions.*

What Americans Earn

Average incomes in 1954	
Professional people	$7,380
Business executives, managers	$7,480
Self-employed persons	$8,360
Clerks, salesmen	$4,420
Skilled workers	$4,500
Unskilled workers	$2,990
Farmers (cash income)	$3,020

Source: Federal Reserve Board

- Stocks remain an unusual investment for the mass of people. The typical family has not been plunging into the stock market.

That picture is shown by the latest survey of consumer finances sponsored by the Federal Reserve Board. Accompanying charts give you some high lights from this report.

Incomes way up. Personal income, for the U. S. as a whole, is at a record level, approaching 300 billion dollars a year. The gain is being shared widely by American families.

Wealthy families' incomes are increasing least rapidly. Families with medium income are gaining fastest. The gain for most is 40 per cent since 1947.

The gain has not been eaten up by inflation. Prices have gone up more slowly than incomes. Purchasing power of the average family is 12 per cent greater than in 1947.

Recession, from mid-1953 to mid-1954, did not set the average family back. Fewer than one fourth of U. S. families suffered any drop in income last year or in 1953. More than two fifths found their incomes rising in these years.

Recession, of course, meant fewer gains in income for industrial workers. People who were most likely to be getting more money were professional groups, such as doctors and lawyers, business managers, clerks and salesmen. Gains were least common among farmers.

Help from working wives? Any notion that income from the working wife is an important factor in the average home seems to be discredited by official data. The wife, in the typical family, is occupied with taking care of the house and children.

In only one fifth of the families is the wife working, and then her income is likely to be small.

The figures show that 40 per cent of the working wives make less than $1,000 a year. Most of the others make less than $3,000. Working wives are most numerous in the $5,000-to-$10,000 family bracket.

Something for a rainy day. The typical family, in spite of heavy spending through the postwar years, still has money laid aside to fall back on in time of trouble. Personal savings, in liquid form, total more than 209 billion dollars, according to the Economic Unit of *U. S. News & World Report.*

In trying to find out how this huge cushion, record in size, is spread among consumers, the Government checks on family holdings of U. S. Government bonds, bank deposits, postal savings, and accounts in savings and loan associations and credit unions. It finds 35 per cent of the families have more than $760 saved

How Many Owe Installment Debt

Of 54 million U.S. families and other spending units—

23.2 million owe money on installment purchases
30.8 million are free of installment debt

Among those owing money on installment purchases—

1.6 million expect to get paid up within 3 months
3.8 million in 3 to 6 months
9.2 million in 6 months to 1 year
7 million in 1 to 2 years
1.6 million in more than 2 years

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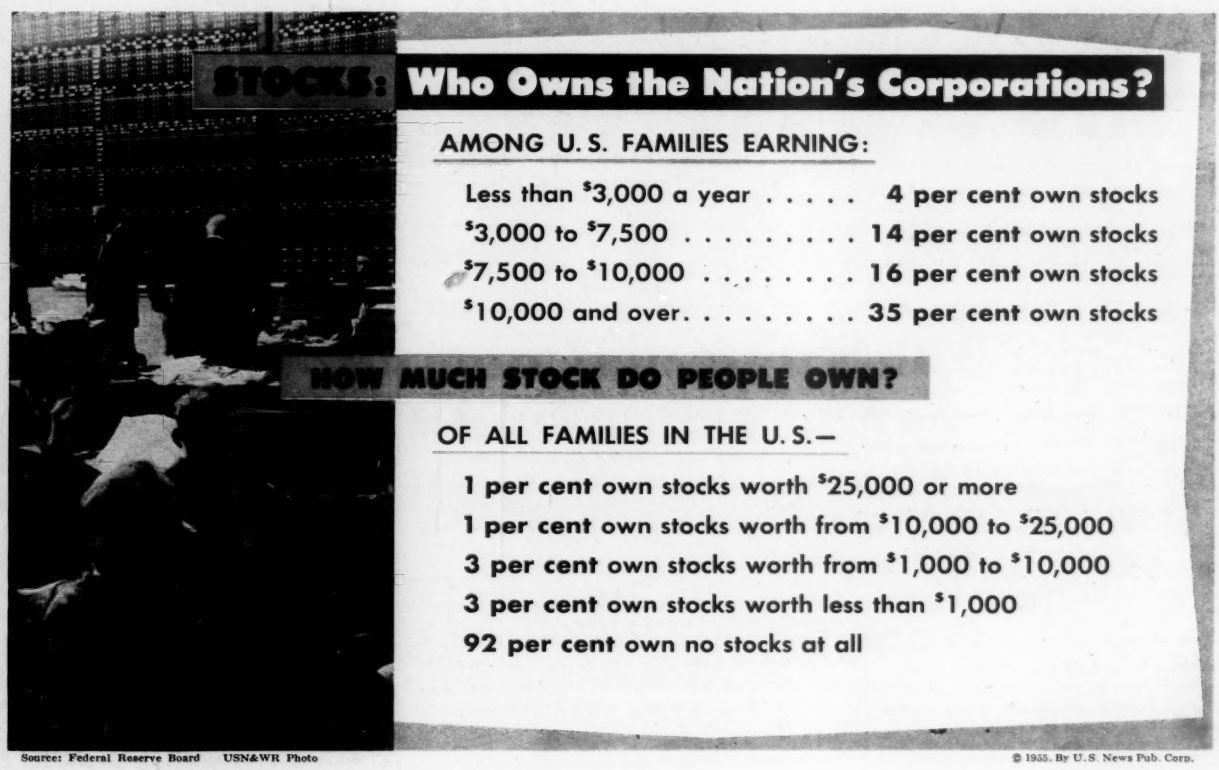
STOCKS: Who Owns the Nation's Corporations?
AMONG U. S. FAMILIES EARNING:
Less than $3,000 a year . . . . . 4 per cent own stocks
$3,000 to $7,500 . . . . . 14 per cent own stocks
$7,500 to $10,000 . . . . . 16 per cent own stocks
$10,000 and over. . . . . 35 per cent own stocks
HOW MUCH STOCK DO PEOPLE OWN?
OF ALL FAMILIES IN THE U. S.—
1 per cent own stocks worth $25,000 or more
1 per cent own stocks worth from $10,000 to $25,000
3 per cent own stocks worth from $1,000 to $10,000
3 per cent own stocks worth less than $1,000
92 per cent own no stocks at all

Source: Federal Reserve Board USN&WR Photo

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up in these forms. That is the median amount. Another 35 per cent have some of these savings but less than $760; twenty-nine per cent have none at all.

Many of this minority group have funds that aren't counted in the Government survey, however—loose cash and life insurance, for example.

A glance back over earlier surveys shows this trend in savings:

The amount held in liquid form by the average family is shrinking slowly. Some consumers are running out of ready funds. Others have less, in terms of actual buying power, than they had at the end of World War II.

Thus, heavy buying during prosperity has made a dent in many instances.

The Treasury's U. S. savings bonds have been losing popularity with some people. More are being sold, but they are going to a smaller group of customers. For five years, this group has been shrinking until now it is 31 per cent of all families.

Savings accounts in banks and savings and loan associations are gaining popularity. Returns paid by these institutions have been rising, while the rate paid on the Government savings bond has been frozen at 3 per cent for the last three years.

No rush for stocks. The boom in the stock market isn't tempting the inexperienced to "take a flier." Stocks are held by about 8 per cent of the nation's families, the same as in 1953 and 1949.

The number of small investors, with stocks worth less than $500, seems to be smaller than in 1949.

Thus, talk of speculation, of people borrowing to buy stocks seems to refer to a small group, chiefly those with considerable sums to invest. Safety of the great mass of consumers is not staked on the stock market's rise or fall.

The big family investments are going, instead, into automobiles, houses and household equipment. More than half of U. S. families now own their homes. Nearly 70 per cent own one or more cars. Nearly 8.5 million say they intend to buy a new or used car this year. Nearly 5.2 million say they expect to buy a new or old house.

The typical family has a car that is beginning to look rather dated, from 4 to 7 years old. Only 38 per cent have cars less than 4 years old. Thus, the market for new automobiles, with style lines and gadgets developed recently, seems likely to be large for some time to come.

The load of debt. Buying a car or house means, usually, taking on new debts. The total owed by consumers now is estimated to be more than 115 billions.

Nearly three fourths of this debt is in mortgages, however. For the average consumer this means monthly payments resembling rent and, in some cases, lower than rent on anything like comparable housing.

Most families, it appears, do not owe for goods bought on the pay-as-you-go plan, and those who do are not strapped for long periods.

Of families who owe money on installment purchases, most can clear themselves within a year, if they make no new purchases. Only 3 per cent of the families have installment debts stretching more than two years.

In the great majority of cases, the payments on this type of debt are not heavy—less than 20 per cent of the family's take-home pay. Relatively few have earmarked as much as 30 or 40 per cent of their income to pay for cars, appliances, furniture and the like.

Thus, the picture generally is reassuring. Most folks, it turns out, have no heavy debt with the possible exception of a mortgage. They are not overloaded or prevented from doing more buying.

The consumer, after years of splurging, still seems well off. His income is high and rising. He has some money set aside. He has more tangible assets than ever in the form of house, car and other goods. Even with more debt, he feels the wolf is far from his door.

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4 Bail 801 P.A. 1700 5 Capt Chinese 2400 Turn over Russ. Truck rel. Div. Test AF Qest. Turn over Pepper 0030. Morn Doc Babe Then To P.A. Prepper 0030. Morn Doc Babe Lemonade Q. N.P. Mag. Read of Gunnie Enoch 6,7,8, Requip, Qest. 10 Bath Shave 11 Relt. Q. 12 out at nite got wk. 14 Bath Shave 17 Left by Truck for Rus.? Stop Dimon for supply chow on rd. 18 0200 Last Motel Arrive Ant 1700 not Live 19 B-15 Jacket. 20 86 Pint Jato crash 21 Other here 23 Real Dinner down 24 sick call 1N-30 Q Mag. Atrop. G. give Apples, candy nuts, Butter, underwear, socks. Wrt. Air To Air.

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1 Holiday Beer chicken Fr. Steak Bread, fish, roast 2 Mainly Shave M.C. 4 Last Given coat, cakes 5234 by R. 5 Arr. M. 0300 Po Hen joint 1st out 8 hr TR Russ 2 yds. went Hosp. 2030 Given summer clothes 6 Sick pot here Iceq I ask about Chow 8 give bread Later some butter & sausage, out side now then about Time 9 Barber 16 winter clothes 17 Int New Times Mass. M. 27 Barber 30 3 meals Thr.

11 52

1 Int. 2 packs cigs candy 3 Shoes, Blk Trousers 2 pr 9 a little shave 12 Finally Next Int Date 13 Lyle C. Candy, Apples, Sugar, Butter, Cigs. Meat, Bread Tooth Int. got Pantimes, P. China Repaired Road & work again. Out any time New winter shoes 19 Lyle To Park Pict Taken 22 Loaned razor 24 Barber 25 Started Beards To March 26-53

12 52

1 Int. Wrt. 14 Int. 16 2nd hd. Bath 11 & 12 Beer Ping pong 12 1/2 Bi Jan (Position) 20 Winter underwear 25 Got Roast Chicken, cold Ham, Candy Apple Turkey, Sugar & Chang char, Bread, Wine 31 Bath

183 good chow 1-2 pass 6 78 Made Chess 8 Hitlers 23 Here your Lyle M. Ullrich 28 Re Chuche 30 Chuche Thr.

2-53

1 Bath 2 Fr. Chang Char with Lt. Tested Shadow 12 Pass Take Dictionary, 13-14 15 16 Holiday Some good chow 14 Pass Mabee, Everyone. F. Chang Char Now Fr. Pa been with Byers. 28 178 days down

3-53

1 Made Candy 2 & yr. 3 Jamsa 9 Trub about 30 Day Per 11 no pays 60 not class now 12 got Pass 13 B. 17 Pal Keips 18 Shake down Finely Now coming but F.U. got Ears, chess, cribb, Mach, cleaned out Mace. Pass Mabee ask Chu Chee about Nor. Mac! 19 got 5th Back Match, game, Darts etc. 20 Jamsa 25 Pass. Trub over It. at breakfast. Beat Mess 1950 Pass Cigs Bread, sausage can of meat, spoons, Tin Cup, Soap ? 26 Barber Shave Beards Ld. say Bajang Maya Hooping ?

4-53

6 Talk capt. Chinese "Bajang Jualt" 7 Jamsa 10 Pict AR (?) 0700 2 PM Blackout 7 to 7 PM 12 Dent mean yd quote "capt no gone (BS) Things MAR 13 Last mimbo chang char. 17 Move cross Town Sep. (1830) Shift 3 times day Before left Pass gave shoes, socks, underwear and got Telly! 18 pt. Life best. Tie now Father Pleasty Pleasty To read 19 others also ? 20 Talk Boss Pay To Think over quest. we'll be Together ? 22 Leave OOL A.J down 23 got Pipe Int 24 1/2 hr. 25 27 I.. 29 Pict taken 30 Barber

5-53

1 Holiday Sunday 2 Thaver Sunday I-- 9556 I I I 2nd Nt set Bath 4 went bed To early I 10 Q Pass Fri. My Pic 26 must cont 11 L. Kirk dr open I 12 Tel WCH it account 13 L. Birth day 14 I (2) about Pack 15 Mail her 16 Jamsa 18 WCH "Jap spk Must st. 19 We move rt. Chat after stand WCH. Will Head Rit ord. rt. 20 We rt. I not much come 21 3 Barber 23 Chat semi capt Try make Diving bet ! Give new blu suit Took all suits 24 BIR "Thing would be bet" 25 I chat 27 Cholera Typhos shots 28 I 29 Move Tr. at out We Fin Ld. 31 270 days

6-53

1 I 2 Bath Doc 3 better chow shots 4 Cholera Shot 8 I (DIR) Rep Jim Rchow Interview (C) 51 Visit 10 Doc 11 I sing no good (Club) 13 T. Rep Make Clothes 15 I obs rel or get Pass 16 Inter Pass 17 Barber 18 No shots For me (?) 19 News W.R. Imap. NF 22 Bath 23 I 24 I o Boss Tell how glad I had it 25 I Tyrs at K. war 26 M To club 27 L. Clb. 29 Remove wint. clothes 30 I 300 days 15 Cd. say al Tapa Th. Volly ball, ping P. Accordion

7-53

1 Trub Pay Wed I bch about self comp change of pay Jamsa Shave went Clb. 2 Cd say Tpwl + Lunch bet him BIR stnd ATT. 6 Intro. rm. C10 about Daily life. 7 L. int mdr. Doc 8 club Tee shave 11. Jamsa Doc 13 I say hi others att intro I stole 15 Food a little bet no rice 16 Bath 18 I club Tea sugar 21 I club 22 To with Pushing + Albert 23 I (E) why 24 Another blue suit + underware 25 I (C) T. Chat 27 I [illegible] club 24 shave Hc. 30 Interview yart. Oscillescen oth 31 Int Told of armistice outside Thr. total 371 days

8-53

1 Holiday P.I.A. Founding I Go home in time 2 I Pass in K. quiet time a yart. 5 BIR pother 6 Clb 2 1/2 hr Tuesday voyage I Tom + Joy. 8 I Personal Equip Cigs 11 12 Intro Rm rt L. mess 13 Bath shave 14 club Fox mouse 21 F back 24 I + Barber 27 Bath 28 Pck relize hopes soon company Exercise etc. 362 days

9-53

1 J.O would be disc by P.C. of U.N.? Carton cigs Tooth paste, soap, Tooth brush 2 Finally DIR Co club Hal + Lyle can live Together 4 Int. I club Hyt. Norm. Lyft. Ryt. Sep. 8 DIR new buddy new schedule 9 I Basket Ball 10 club 11 BB Bath mirror comb 12 Hank + Dill Play bridge 14 Barber club honeymoon chow noodles, 18 BB Foot Ball 21 Trb out with Mess 0600 I 25 Bath 26 Lost Tell of yd Trb 30 Doc check eyes

10-53

8 new sch. out for ex 0600 To 0620 1830 To 1700 BB or Club 9 out for DD it's been a long Time 14 Itinerary B On life mist Mom Pop my Fr. Poppys Income Re Int "intently ones here" 21 TK HH club about yd Trb Made rm rep + daily Info. 26 Lyle at yd trb must help H.

11-53

1 Nat Day Bicycle Parade some good chow 2 applied opened Bear 5 Front rep on K.war New winter clothes BB 6 clb 7 Sep moved to Dung "rm being fix for winter H.F. TK Co about M HH. rd HF brk rel. + cause Trb. Hrs self reprm. 8 I To rep Doc check eyes 9 L or B.D. 10 I Jamsa 11 Red cigs Food Imp 12 Club Bath 13 L. mov out + BR when ans. Q By last mns. Yr rt. date Exactly must Tb about Sep. 14 Wrt. my in who rep for Yr Lyle back 15 Lyle with BIR re Feelings about comm Yr, what do when you H, about treatment I have received 17 move back to old Cell Sig papers Jamsa 18 BIR re rt one pg sig 19 Club Dawsa 21 Dawsa 22 Barber 23 Bawsa 24 L To club Th. Chu rep why rt 25 Clb evening Chu rt miss lead Yr all mis 28 Club TK T 31 Tb Doc get Blood Test wash Blankets

12-53

1 Trb in Luben Philosopher swings Bclb why 2 Get Doc another blood test Club 4 Dist Jamsa sound good K Cole, M Tilton, Rshore, Ding, Pary old but good. 4 Final rep on armistice P.C. Things dont look The best. 10 Bclb Yr wht bret ess said 11 HH. should Disc friendly others clb mor o ST. 12 DIR Clb Q Yr wht bret o HH rel. 14 GP 308 must rt when will it end ? got a final, ? 15 H TK & buddy Frank DIR Q on bret, bout Chu CO Tell NF dr yd Jink To C Chu very Mar 352 w.c. 15 DIR + C. must help I could I would rt I & NF G.H. I ? out To 230 Typ rpt Pict 501 of PA. 16 out 1.30 Type rt To 930 H Tell most Help I To con To Chu 17 out 930 DIR + I Fin 1930 out To Chu Typ rpt H I To rt not 18 I out con To Q rt. 19 Out make some changes for DIR

1-54

1 Jamsa 2 Bath 3 Jamsa 4 Bath Shave 7 Jamsa 8 Bath 9 Jamsa 10 Bath 11 Jamsa 12 Bath 13 Jamsa 14 Bath 15 Jamsa 16 Bath 17 Jamsa 18 Bath 19 Jamsa 20 Bath 21 Jamsa 22 Bath 23 Jamsa 24 Bath 25 Jamsa 26 Bath 27 Jamsa 28 Bath 29 Jamsa 30 Bath 31 Jamsa

2-54

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3-54

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4-54

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5-54

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6-54

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11-54

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12-54

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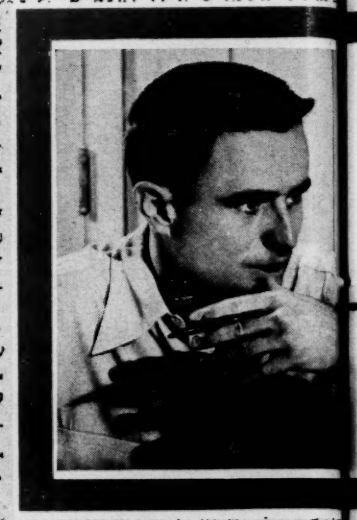

PRISON DIARY OF LT. PARKS

U.S. Airman Tells Story of His 33 Months as a Captive in Red China

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This is the first complete story of life in a Red Chinese prison to be brought out by an American prisoner of war.

It is told by 1st Lieut. Roland W. Parks of Omaha, Nebr., who spent 33 months as a prisoner in Red China before he was released on May 31, 1955, with three other American fliers.

Lieutenant Parks's story is most unusual because he was not only a prisoner of the Red Chinese, but was also, for two weeks, a prisoner of the Russians. His F-86 jet fighter plane was hit in an aerial combat over North Korea. With his compass out of commission, he flew west instead of south and parachuted from his disabled plane near the big Russian military and naval base of Port Arthur. After interrogation by the Russians, he was turned over to the Red Chinese.

Lieutenant Parks kept a diary during most of his imprisonment. Whenever anything happened that he wanted to remember, he recorded the events in a simple little code of abbreviations and symbols—starting the entry for each day with the date—devised so that his Chinese captors would not be able to understand it if they seized his diary. Then he made a condensed copy of the diary on a single sheet of paper, 8 by 12 inches, which he hid in a small packet of Kleenex. The Chinese, as he expected, seized the full diary. But he got out with the condensed version, which is reproduced on the opposite page. After his return home, Lieutenant Parks expanded the diary to the full account that follows.

In this day-by-day account, Lieutenant Parks describes what life is like in a Chinese Communist prison. He tells of the bad and meager food that caused him to lose 30 pounds in weight and come out with chronic digestive trouble. He tells of the cold, damp cells in which American war prisoners were kept, and the hopeless monotony of long imprisonment.

Lieutenant Parks relates that he was not mistreated physically—struck only once, subjected to no physical torture. But his account shows other methods of coercion used by the Chinese. "Mental coercion," he calls it.

Day after day, hours at a time, for nearly three years Lieutenant Parks was subjected to intensive interrogation. A threat today, a promise tomorrow, then more threats—this is the way he describes the pattern of interrogation, with the Communists maintaining a constant pressure to obtain "confessions."

Lieutenant Parks, an observant young man now 25 years old, also comes out of Red China with some significant observations about the Russian and Chinese soldiers and officials whom he met. He visited several of Red China's largest cities, traveled thousands of miles through the Chinese countryside, and he tells here how this Communist nation appears to Western eyes. The map of his travels appears on page 33.

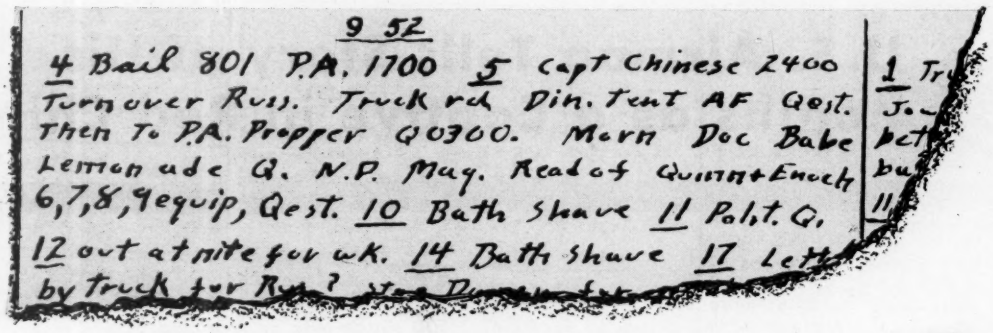
Finally, 20 months after the deadline by which Red

China had promised to free all prisoners of war, Lieutenant Parks was taken from his prison in Mukden to Peiping (Peking), the Red Chinese capital. There, in a strange proceeding that the Chinese called a "trial," he was "convicted" of "intruding into China's territorial air in U. S. military planes to perpetrate harassing and provocative activities." His sentence: "To be deported immediately."

After studying engineering for two years at the University of Omaha, Lieutenant Parks entered the Air Force in 1950. He was one of 12 outstanding cadets in his 56-member training class who were chosen to receive regular Air Force commissions. He was sent to Korea in April, 1952, and was flying his 50th combat mission when shot down. He was then 22.

Released with Lieutenant Parks on May 31 were Lieut. Col. Edwin L. Heller, Capt. Harold E. Fischer and 1st Lieut. Lyle W. Cameron, all of whom he met in prison.

Lieutenant Parks's own story follows.


9 52
4 Bail 801 P.A. 1700 5 Capt Chinese 2400
Turnover Russ. Truck rd Din. Tent AF Qest.
Then To P.A. Propper 0300. Morn Doc Babe
Lemon ade Q. N.P. Mag. Read of Quinn+Enoch
6,7,8,9equip, Qest. 10 Bath Shave 11 Pol.t. Q.
12 out at nite for wk. 14 Bath Shave 17 Lett
by truck for Rus?

September, 1952

4 Bail 801 P.A. 1700

This means that on September 4 I bailed out of aircraft number 801 near Port Arthur at about 1700 hours (5 p.m.).

We had taken off about 3:30 p.m. that day from K-13 air base at Suwon on my 50th mission in Korea. It was a large mission, with about 36 F-86 jet fighters. We were on a fighter sweep that was to carry us near the Yalu River. But our orders, as always, were to stay south of the Yalu, out of Chinese territory.

Shortly after crossing the bomb line into North Korea the weather became bad, with heavy clouds. The last known point that I remember seeing through the clouds was the city of Pyongyang, the capital of North Korea, about 100 miles south of the Yalu. Shortly after this point, I noticed that my external fuel supply was not feeding properly and I had to drop my wing-tip tanks.

Here I heard over our radio that contact with the enemy had been made. After proceeding north for a few more minutes our flight ran into four MIG's, a little below and to our left. Our leader immediately called that he was going in and I went in with him.

We missed on our first attack, then they attacked us and we had to break up.

We had been flying high, at about 35,000 feet, and in the fight that followed we kept going down through layers of clouds. On the way down, our leader was able to hit one MIG, which we both saw burst into flames and crash. While watching this MIG and the others in the area, I became separated from the leader—he went around one side of a cloud and I went around the other.

Immediately on losing sight of him, I informed our leader that I was heading south. I was following instructions which were for us, when separated to head for the vicinity of Cho Do island, a friendly island off North Korea.

Soon I ran onto four more MIG's and another lone F-86. One MIG attacked this other F-86, and I opened fire on this MIG. I got some hits, but then some of the other MIG's moved in on me and I felt some hits on my plane, so I broke off. I had made about a 180-degree turn in attacking the MIG, so I turned back and picked up on my compass a general heading of south. I had to keep zigzagging. I was keeping an eye on the compass, flying through soup. Some of my other instruments already had been knocked out, I could see.

Soon I found out that my compass also had been damaged. When I broke out of the overcast and could see the coast line, I realized that I had been flying west into the sun and must be considerably west of Korea.

Shortly after breaking out of the overcast, at an altitude of about 42,000 feet, my engine quit. I knew from this altitude I could easily glide 100 miles, and planned to glide back southeast as far as I could and then bail out over the water. At this point, though, I ran into more MIG's, and got bounced again. With my engine dead, my only alternative was to get out. I had the choice of bailing out over the sea or over the land in the vicinity of Port Arthur. I elected to bail out over the land, with the hope, ridiculous though it may sound, of hiking my way back. I thought I could walk farther than I could swim.

So I just rolled my plane over on its back and went down as fast as I could. During this time, I had got into radio contact with one of our own craft, briefly explained the situation, and said I was bailing out.

I tried to pick a place that was thinly populated, but every place was thickly populated. At about 10,000 feet, I headed the plane for the water and ejected. Everything was going perfectly, just like I'd been told to do. But after my parachute opened I saw the plane starting to circle back, heading right toward me. It went underneath me about 200 feet.

While I floated down, the plane circled again and hit the side of a mountain. I could see people watching me from the ground. I lit on a rock-covered side of a mountain and rolled a good ways down it, but fortunately I was not even bruised. I headed for some trees, hunting cover, climbing this moun-

. . . "We stopped in the middle of a cornfield and I began to sweat. I was expecting a bullet in the back of the head"

tain like a goat. Finally I made it to a valley on the other side and hid in some woods until dark. I still had my pistol and some emergency rations, but had lost my knife and my escape kit. After dark I headed for the highest point of land in the vicinity to get my bearings. I could see water on three sides, and I was between Port Arthur and Dairen.

I wanted to get back to where I had lost my escape kit and recover it, and set out in that direction. But I ran into a bunch of Chinese and turned back before they spotted me.

5 Capt Chinese 2400. Turn over Russ. Truck rd Din. Tent AF Qest. Then to P.A. proper Q 0300. Morn Doc Babe Lemonade Q N.P. Mag. Read of Quinn & Enoch

This entry describes my capture by the Chinese and the events of my first day as a prisoner. With these notes I can reconstruct that day as follows:

It was just about midnight when I ran into these Chinese and started to sneak around them. While trying to circle them, I ran smack into another Chinaman. He was so scared he shook. I tried to make him understand that I wouldn't hurt him, and only wanted him to help me. I was just grasping at a straw, hoping I might have found one Chinese friendly to us. I followed him into a small village. Then, just as we reached the village square, he grabbed me and started yelling. Chinese came from everywhere. They were armed with iron spears that must have been four feet long. Here I was with just one pistol, surrounded by all these Chinese.

I just said to myself, "Parks, you've had it." I threw my .45 on the ground and put my hands up. One kid tried to run me through with his spear, and they all converged on me. I think they would have killed me right there if one old man hadn't driven them off. He brought me a drink of water that I really needed badly.

Pretty soon two Russian soldiers walked up, just sightseeing, apparently. Then came several Russian officers, one of whom could speak English, and several armed Russian soldiers.

They put me in the back of an old truck and drove about 30 minutes. We stopped in the middle of a cornfield and I began to sweat. I was expecting a bullet in the back of the head. But apparently this was a camouflaged airfield, for a MIG flew in and landed nearby. We went through a gate into a camouflaged area of tents, occupied by Russian soldiers. The Russians seemed friendly and treated me well. They fed me. Then they questioned me, but only generally, and gave me back the watch and pen from my escape kit that had been found. I gave them the general information that we were permitted to give, but gave them the wrong air base that I had flown from. I explained that I had got lost, and that's how I came to be near Port Arthur.

In the morning, a Russian Army doctor came to examine me. He was accompanied by a beautiful young Russian woman who spoke perfect English. They brought in a bottle of lemonade. They were surprised to find that I, a jet pilot, was only 22 years old.

The real questioning got under way later in the day. It was

Where Lieutenant Parks Spent 33 Months in Red China

1. **SUWON:** Took off here on jet-fighter mission September 4, 1952
2. **PYONGYANG:** Plane damaged in aerial battle near here
3. **PORT ARTHUR:** Parachuted here, captured September 5, held two weeks by Russians in Port Arthur
4. **ANTUNG:** Imprisoned here 17 days by Red Chinese
5. **MUKDEN:** Imprisoned here 30 months by Red Chinese
6. **PEIPING:** "Tried" here by Red Chinese "court," May 24, 1955
7. **CANTON:** Spent two days here on way to freedom
8. **HONG KONG:** Released here May 31, 1955

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. . . "The Russians took away from me everything Russian that they had given me, destroying the evidence that I had been in Russian hands"

done by Russian officers. They seemed especially interested in our radar equipment, but I told them I didn't know anything about it.

This place we were in was a military compound in a residential area of Port Arthur. I spent the next 13 days in this compound.

After the first questioning, they gave me the Shanghai *News*, an English-language newspaper. They also gave me a Russian news magazine printed in English. From these I learned about the American fliers, Quinn and Enoch, who had been captured and accused of germ warfare.

6, 7, 8, 9 equip, Qest.

During these four days, Sept. 6 through 9, they questioned me about everything, especially equipment, and wanted me to draw maps of our airfields.

WHAT A RED CHINESE PROMISE IS WORTH

This is what the Red Chinese promised, in writing, on July 27, 1953, in Article III of the Korean armistice agreement:

"a. Within sixty (60) days after this armistice agreement becomes effective each side shall, without offering any hindrance, directly repatriate and hand over in groups all those prisoners of war in its custody who insist on repatriation to the side to which they belonged at the time of capture."

This is how the Red Chinese broke that promise in the case of Lieut. Roland W. Parks:

Lieutenant Parks was a prisoner of war, shot down in aerial combat. Yet he was held prisoner until May 31, 1955, which was 20 months after the agreed deadline for repatriating all prisoners of war.

Other American prisoners of war are still held by Red China, in violation of the armistice agreement.

10 Bath Shave

On this day I got my first bath since my capture, and got my first shave, given me by a Russian soldier. Apparently they didn't trust me with a razor.

11 Polit. Q

A Russian officer questioned me about American politics, asked what party I belonged to. Sometimes I was embarrassed, because he asked me some questions about the details of the American governmental system that I just plain couldn't answer.

12 out at nite for wk.

My first time out of my cell except for interrogation.

14 Bath Shave

17 Left by truck for Rus.? Stop Dairen for supply chow on rd.

The Russians told me they were taking me to Moscow. I had told them I did not want to be turned over to the Chinese, and that's probably why they told me they were taking me to Russia. I thought they were taking me to the Siberian salt mines. I had made up my mind that if we kept going north toward Siberia I was going to go over the hill [escape] at all costs. We stopped in Dairen for food and supplies for the trip.

My Russian guards on this trip were dressed in civilian clothes until we crossed the border between the Russian zone of Port Arthur and China proper. Then they put on uniforms. We drove until late that night.

The Russian soldiers that I met were generally poorly dressed, wearing dirty wool uniforms in hot September weather. They wore no socks under their calf-length boots, just wrapped their feet with cloth. But I did encounter one group of Russian soldiers in Port Arthur that looked really sharp, apparently marching off for a parade.

The Russian soldiers carried submachine guns instead of rifles. I saw no tanks around Port Arthur and Dairen, but there were a lot of aircraft, many of them MIG jets.

The individual Russian soldier seemed friendly toward me. And the Russian relations with the Chinese also appeared friendly. The Chinese people seemed to admire the Russians.

I was surprised at the easy relationship between Russian officers and enlisted men. The food I shared with Russian soldiers was comparatively good. It included black bread, vegetable soup with little bits of meat in it, fish and green salads, and plenty of tea with sugar.

18 0200 lost motel arrive Ant 1500 mt. Lue

We lost our way during the night, slept in a Chinese house, finally arrived in Antung about 3 p.m. Near Antung airfield we stopped. A Russian officer went away and came back in about an hour with some Chinese officers. Then I was blindfolded while we drove about 30 minutes more, stopping at what I learned later was a Chinese military base, where I was taken into a room and the blindfold was removed.

The Russians took away from me everything Russian that they had given me, destroying the evidence that I had been in Russian hands.

The Chinese immediately started questioning me, with the interpreting being done by a Chinese named Lue who spoke perfect English and said he had taken pilot training in the United States during the second World War. Lue turned out later in my imprisonment to be the man they used as a sort of "pacifier" to soothe you and try to trick you into telling something when things didn't go to suit them in their long interrogations. Lieut. Col. Edwin L. Heller and Capt. Harold E. Fischer, who were later imprisoned, also encountered this character Lue.

I really learned to hate this Lue. He thought he was such a slick operator. Finally it became so obvious that I disliked him that they kept him away from me.

19 B-15 jacket

It was getting cold, and all I had was a light summer flying suit. This day the Chinese gave me a warm U. S. Air Force B-15 jacket. I don't know where they got it from.

20 86 pict Jato crash

The Chinese brought me pictures of a U. S. Air Force plane that had crashed carrying jato bottles [rockets used in a jet-assisted takeoff] and wanted me to identify the type of aircraft and explain why they carried those bottles into North

(Continued on page 36)

Taking off from N. Y. International Airport in an Eastern Air Lines' Super Constellation

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. . . "The attitude of the Chinese troops that I encountered varied. Some were openly hostile and made threatening gestures at me. Others were seemingly friendly"

Korea. I told them the bottles were used to take off with bomb loads, and insisted I couldn't identify the craft.

21 other here

Another American was brought into the room next to mine, under guard. He moaned constantly for the day and a half he was there, apparently wounded.

* * *

24 Sick with dysentery

18-30 Q Mag. Atros. G. give apples, candy, nuts, butter, underwear, socks. wrt. air to air

During the last half of September I was questioned repeatedly, hour after hour, sometimes nine hours at a stretch. They tried to get me to say that I had flown into Manchuria many times. They showed me a pamphlet accusing the Americans of atrocities and I wouldn't look at it. Some guards gave me apples, candy, nuts and butter and some clothing. They tried to get me to write a description of American air-to-air combat tactics. When I refused they kept questioning me far into the night. They always held out the promise that if I co-operated I would go to a North Korean prison camp, and threatened that if I didn't co-operate things would be very bad for me.

October, 1952

1 Holiday beer chicken fr. steak Bread, fish, roast

October 1 is the anniversary of the founding of the Chinese Republic and we feasted that day. It was my first real good food since my capture.

2 Finally shave H.C.

First shave in two weeks, and a haircut.

4 left given coat, cakes 2230 by tr.

I was given an old Chinese army overcoat, some cakes to eat on the way, and boarded a train at Antung at 10:30 p.m. I didn't know where I was going.

I didn't get to see much of Antung. But the barracks that I was kept in, during my 17-day stay in Antung, had been built by the Japanese during their occupation of the city.

I noted much construction going on, but the transport was primitive, mostly small horse-drawn wagons.

The attitude of the Chinese troops that I encountered varied. Some were openly hostile and made threatening gestures at me. Others were seemingly friendly.

The barracks area where I was housed appeared to be a sort of training area for Chinese troops—possibly, I thought, for those troops going to Korea.

The troops were well armed with a variety of equipment, everything from German Mauser rifles to American submachine guns. I saw mortars and light artillery but I did not see any tanks. They did have a lot of planes in that area, though, including many MIG jets and Yak propeller planes.

5 ar m. 0500 Po How joint Let out ½ hr Tk Puss & gal. went hosp. 2030. Given summer clothes

At 5 a.m. we arrived in Mukden. I had been studying the Russian alphabet and was able to read the station signs, printed in Russian, to tell where I was.

I was surprised at the size of the city and the great amount of industry that could be noted. The city looked many times bigger than Omaha, and there were mills and factories everywhere. Smoke from these plants clouded the whole city.

The streets were congested. Traffic was heavy, including a lot of troop movements.

They took me to a place that was a real dungeon—"po how" as they say in Chinese for "no good."

Lue had told me when I left Antung they were taking me to a place better suited for me, where treatment would be better, the food better, and I would be safe from American "bombing and strafing." They were always claiming that American planes attacked prisoner-of-war camps.

Nobody in this dungeon could speak English. The jailer was a Chinese who padded around like a cat, so we called him "Puss." His assistant was a tiny woman. I had been sick, so they put me in the hospital that night for a checkup, and issued me some summer clothes.

6 Int. not here long

An interpreter told me I wouldn't be here long.

7 ask about chow

This interpreter asked me what I wanted to eat, but I didn't get what I asked for. What I actually got was a shovelful of rice, actually served on a little coal shovel, and a dipper of sloppy vegetables, just a watery garbage.

8 give bread. later some butter & sausage. Outside now and then short time

14 Barber

Another shave and haircut. By this time I was getting desperate, thinking of escape. So I made a knife out of a door latch I had picked up. I sharpened it on the concrete floor.

My cell was about 15 feet by 8 feet. In one corner was a small latrine with running water. There was also a water faucet, for washing, but the water was not safe to drink. The cell was cold and damp, lighted at night by a very weak bulb. The guard could peek in through a slit in the door to see what you were doing at any time. I could hear other prisoners, Chinese, dragging their chains back and forth across their cells as they walked. Guards sometimes threatened me with chains, but never put any on me.

With the knife I had made, I started trying to dig a hole through the brick wall under my bunk. But I didn't get far, and don't know where I'd have gone if I'd got out.

16 winter clothes

17 Int New Times Mass & M

The interpreter brought me the Russian magazine, *New Times*, and an American magazine, *Masses and Mainstream*, that contained a lot of pro-Communist articles. This was my first reading matter in Mukden.

27 Barber

Another haircut and shave.

30 3 meals ? pp

This day I got three meals instead of the usual two. But they were pretty poor. Later I learned that Lieut. Lyle W.

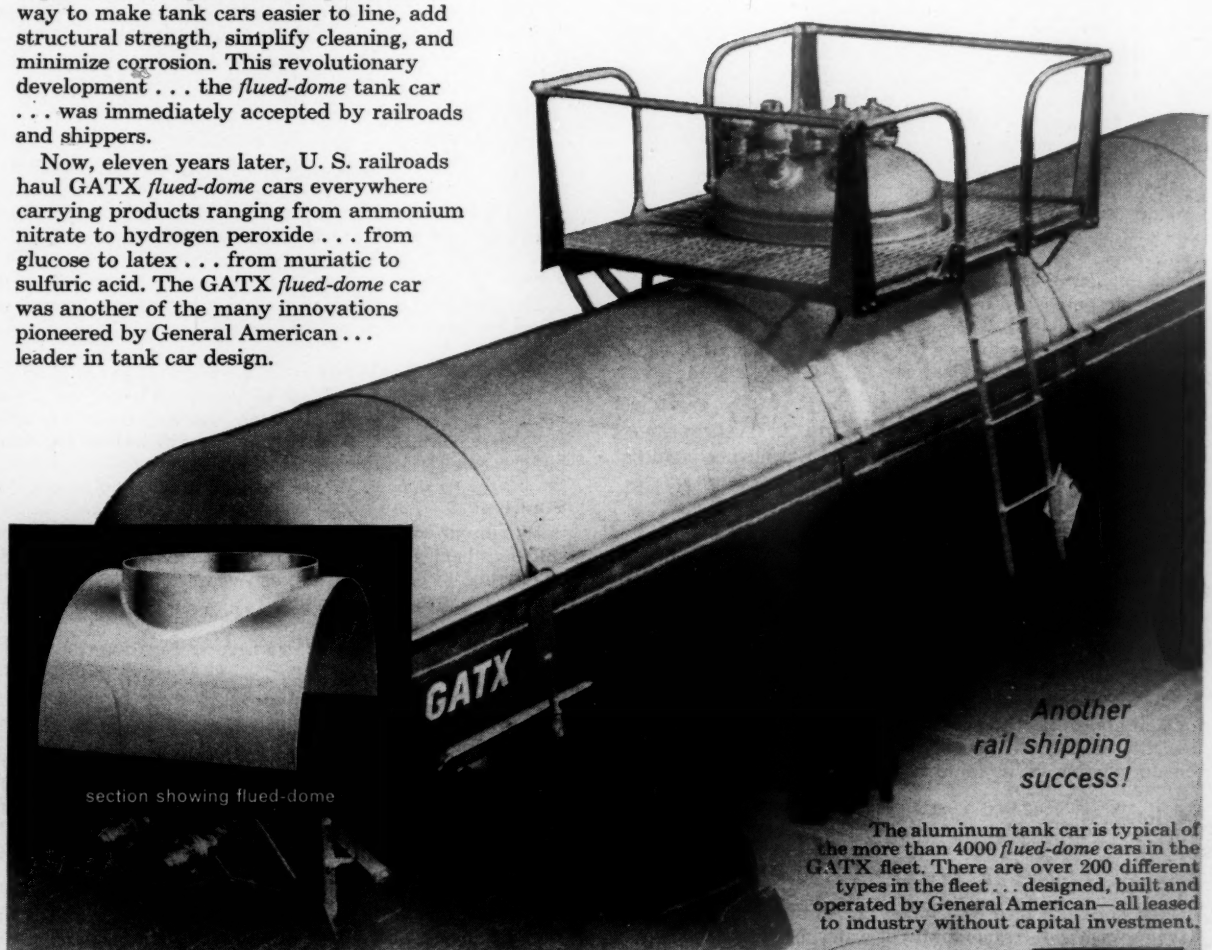
(Continued on page 38)

Originated by General American in 1944

today, more than 4000 GATX flued-dome tank cars are leased to industry

Back in 1944, General American's research department completed development of a way to make tank cars easier to line, add structural strength, simplify cleaning, and minimize corrosion. This revolutionary development . . . the *flued-dome* tank car . . . was immediately accepted by railroads and shippers.

Now, eleven years later, U. S. railroads haul GATX *flued-dome* cars everywhere carrying products ranging from ammonium nitrate to hydrogen peroxide . . . from glucose to latex . . . from muriatic to sulfuric acid. The GATX *flued-dome* car was another of the many innovations pioneered by General American . . . leader in tank car design.



section showing flued-dome

Another rail shipping success!

The aluminum tank car is typical of the more than 4000 *flued-dome* cars in the GATX fleet. There are over 200 different types in the fleet . . . designed, built and operated by General American—all leased to industry without capital investment.

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. . . "All the prisoners would have to wash in the same tubful of water, but luckily we were in the front cell and usually got the first crack at it"

Cameron, who had been shot down and captured, had been brough' to this prison that day, and when he got his first meal, they served me too.

November, 1952

4 Int 2 packs cigs candy ?

The interpreter brought me two packs of cigarettes, my first since Antung, and some candy.

7 shoes blk & tennis 2 pr

Neither pair of these shoes fit me.

8 A little snow

12 Finally heat. Hot bath.

First bath since September 14.

18 Lyle C. Candy, apples, suger, butter, cigs, meat, bread. Talk int. got New Times. P. China. Rep. on B. G. Read & wrt opin Out any time New winter shoes

This was a big day. They put Cameron into the same cell with me. He was the first white man I had seen since I left the hands of the Russians. We found out we had lived only 50 miles from each other all our lives—he in Lincoln, Nebr., and I in Omaha.

We knew many people in common. But we never met before this encounter in a Chinese prison cell. They gave us things to eat and the interpreter gave us another issue of the *New Times* and a Chinese English-language publication called *People's China.*

The interpreter had us read a report on "germ bombs" and write our opinions about it. We just wrote sort of "book reports" about it. They told us we could go outdoors and walk around in a fenced compound any time we wanted, and they gave us new winter shoes.

19 Lyle to Park. Pict taken

They took Cameron into a park and took moving pictures of him there with a high-ranking Chinese Army officer.

24 Barber

25 Started beards to March 26-53

That visit from the barber on November 24 turned out to be our last shave for a long time.

December, 1952

7 Int. wrt.

The interpreter came back to get the reports we had written for him about the "germ bombs" pamphlet. He told us then that if we co-operated and didn't cause any trouble, we could remain together in the same cell.

14. Int.

Another visit from the interpreter.

16 2nd ht bath

First hot bath since November 12. All the prisoners would have to wash in the same tubful of water, but luckily we were in the front cell and usually got the first crack at it.

11 & 12 Beo=Ping gwa+2½ Bi Jew (Poo How)

This equation describes the following incident: All the Chinese were much interested in wrist watches, called "Beo" in Chinese. Cameron jokingly told our guard that for a drink of whisky ("Bi Jew" in Chinese) and some apples ("ping gwa") he would give the guard his watch.

We called the guard "Poo How" because he was always telling us what "poo how" (no good) people we were. That night the guard came in and woke us up and offered us a drink of Chinese white wine and two apples. We drank the wine, ate the apples, and then demanded two more bottles of wine and some apples before we gave him the watch. During the next few nights, he paid what we demanded and got the watch.

The Chinese were really strict against guards taking prisoners' watches, and if he had been caught, he would have been in trouble.

20 Winter underwear

25 Got roast chicken, cold ham, candy, apple, butter, sugar & chong char (Chinese sausage) bread & wine.

We had told the Chinese what Christmas meant in America, and they helped us celebrate it.

31 Bath

January, 1953

1, 2, 3 Good chow

The Chinese really celebrate New Year's.

5 Puss

The prison boss, whom we called Puss, came in to visit us, I guess to see if we were still alive.

6, 7, 8 Made chess

We carved a chess set out of pieces of wood we picked up in the exercise yard. Cameron also had made himself a knife by this time. We wanted to bring this chess set home, but they took it away from us when we left.

9 mittens

We found some mittens lying in the exercise yard and snitched them. It was so cold by this time that we spent a lot of daytime in bed trying to keep warm.

° ° °

February, 1953

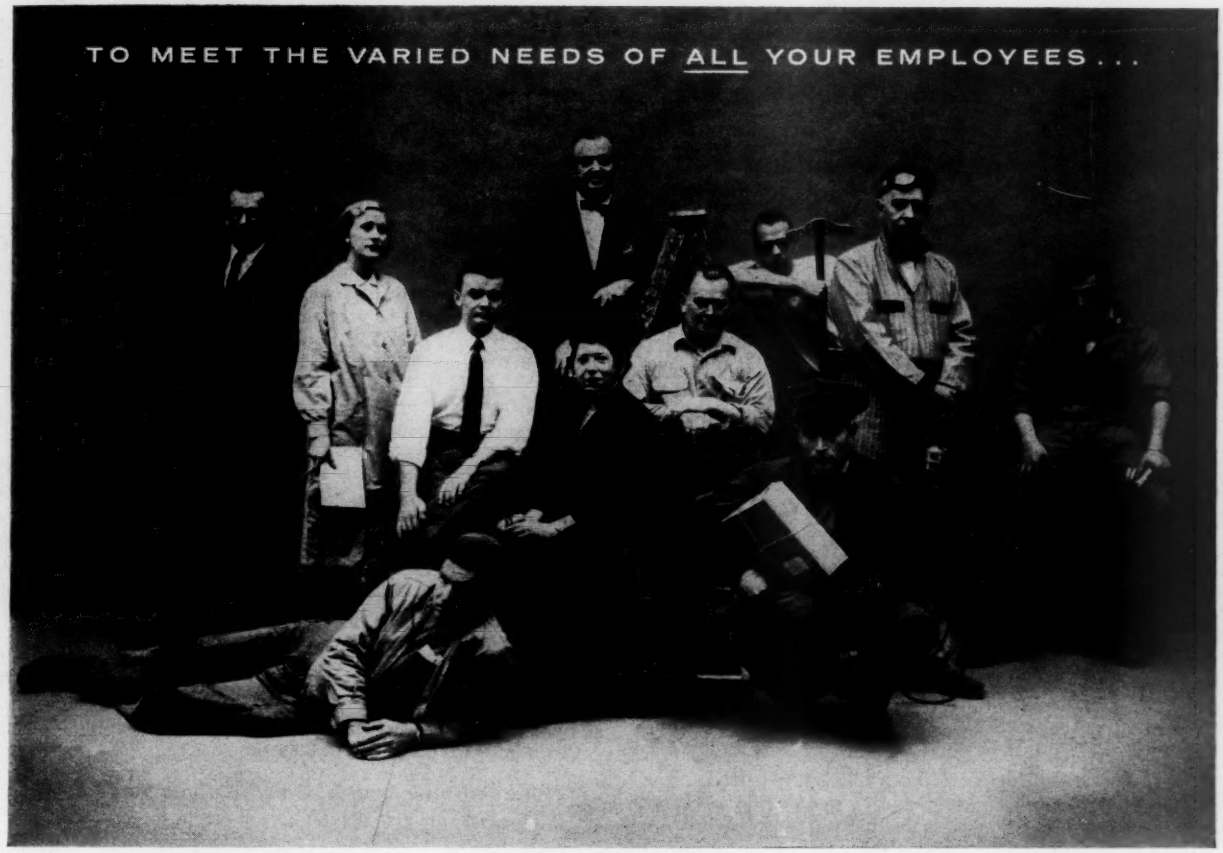
7 Bath

8 Fr. chong char with La. L. ousted Shadow

All the food that they were serving us tasted bad, but the least bad was the Chinese sausage, called "chong char." So we got them to give us more sausage and less of the other garbage. But we got the idea that the sausage, which was served cold, might taste better if we could heat it. So we started heating it with candles (called "la" in Chinese).

A guard that we called "Shadow" tried to take our candles so we couldn't fry the sausage, and Lyle just pushed him out of the cell. The guards were armed with machine pistols, and they often threatened us with those pistols, but they never fired them at us, even when Cameron pushed "Shadow" out of the cell. The guard just called in reinforcements and then they took away our candles.

(Continued on page 40)



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. . . "What I couldn't put in my diary was the horrible monotony which every day became more difficult to bear, the endless succession of inadequate, bad-tasting meals, the continuous cold and the anxiety for the future"

12 Puss takes dictionary.

Our interpreter had given us an English-Chinese dictionary, and the prison boss, Puss, took it away from us. We hated to see the dictionary go, because we were so bored that we were reading it, just to pass the time.

13, 14, 15, 16 Holiday. Some good chow

This was a big spring festival period for the Chinese.

18 * Puss, Ma ben. Everyone. F. chong char. Now Fr. Da ben with Dger

These hieroglyphics, made mostly out of Chinese words, serve to record this incident:

The Chinese guards really got stirred up about us cooking sausage in our cell and pushing the guard out, etc., and they searched our cell again for candles, and threatened to cut off our supply of sausage and put us into separate cells.

So we adopted a new procedure. We started hoarding toilet paper to build little fires in the latrine, where one of us would cook the sausage while the other stood watch for the guards. We got by with this method for weeks.

28 178 days down

Since I was shot down, 178 days had now passed.

The diary entries I have made in that period have been mostly about the unusual little things that happened, the things that made one day or another worth remembering.

But what I couldn't put in my diary was the horrible monotony which every day became more difficult to bear, the endless succession of inadequate, bad-tasting meals, the continuous cold and the anxiety for the future. We never knew what was going to happen to us. We didn't know what was going on outside. We didn't know what to do with our time inside. We did not know who was elected President. We didn't even know if the Korean war was still going on. We would ask the guards, and some would say yes, and some would say no. That made it even worse, because we thought maybe it might have ended and we weren't ever going to get out.

March, 1953

° ° °

7 Jowza

They served us some meat dumplings, called something like "jowza" that were the first really edible food we had had, except on holidays.

° ° °

13 got duzn (t)b

We found an old bayonet and hid it in our cell to make knives of.

17 1 pack cigs

18 shake down. Finally. knew coming but F.U., las, chess, crib, mach, cleaned out place. Puss Ma ben ask chu che about hor. Wow!

We were getting really desperate by this time, and were making earnest plans to escape. We had waterproofed a bunch of matches with wax from candles, and were working on the bayonet.

We had been afraid for some time that they would get suspicious and this day they did. They gave our cell a thorough shakedown. They took everything they found—but they didn't find the bayonet, or we would really have been in trouble. The prison officials were especially suspicious about the matches ("hor"), and tried to get us to tell what we planned to do with them.

20 Jowza

Dumplings again.

25 Puss, trub. over lt. at breakfast. Beat menn. 1930. Puss. cigs. bread sausage, can of meat, spoons, tin cup, soap ?

I don't remember what this "trub. over lt. at breakfast. Beat menn" was about. But the last part of the diary entry means that the prison boss, Puss, brought us food and soap, tin cups and spoons. We had been eating all this time with chopsticks.

We were amazed at this unexpected good treatment. There didn't seem to be any reason for it. We thought that maybe the war had ended and they were going to improve things a little bit. But the Chinese would do strange things like this, seemingly for no rhyme or reason.

26 Barber shave beards. Gd say dajung mayo hooping ?

This was our first shave and haircut in four months.

A guard said "dajung mayo hooping" ("no more war but peace") and we thought again that maybe the war was over.

April, 1953

6 Talk capt. chu chee "dajung small"

A Chinese captain that we encountered in the exercise yard told us that the war ("dajung") was still going on but that there was not much fighting.

7 Jowza

More dumplings.

10 Pract AR ? 1 to 2 pm. Blackout 7 to 8 pm. We had our first practice drill for air raids, and a practice blackout.

1[illegible] Beat menn. gd. quote "capt now gone (BS). Thinks blk.

We decided it was time we found out what they were going to do with us. We beat on our cell door, roused all the guards, and demanded to see the captain in charge of the place. The guard insisted the captain was gone, although we later saw him around the place.

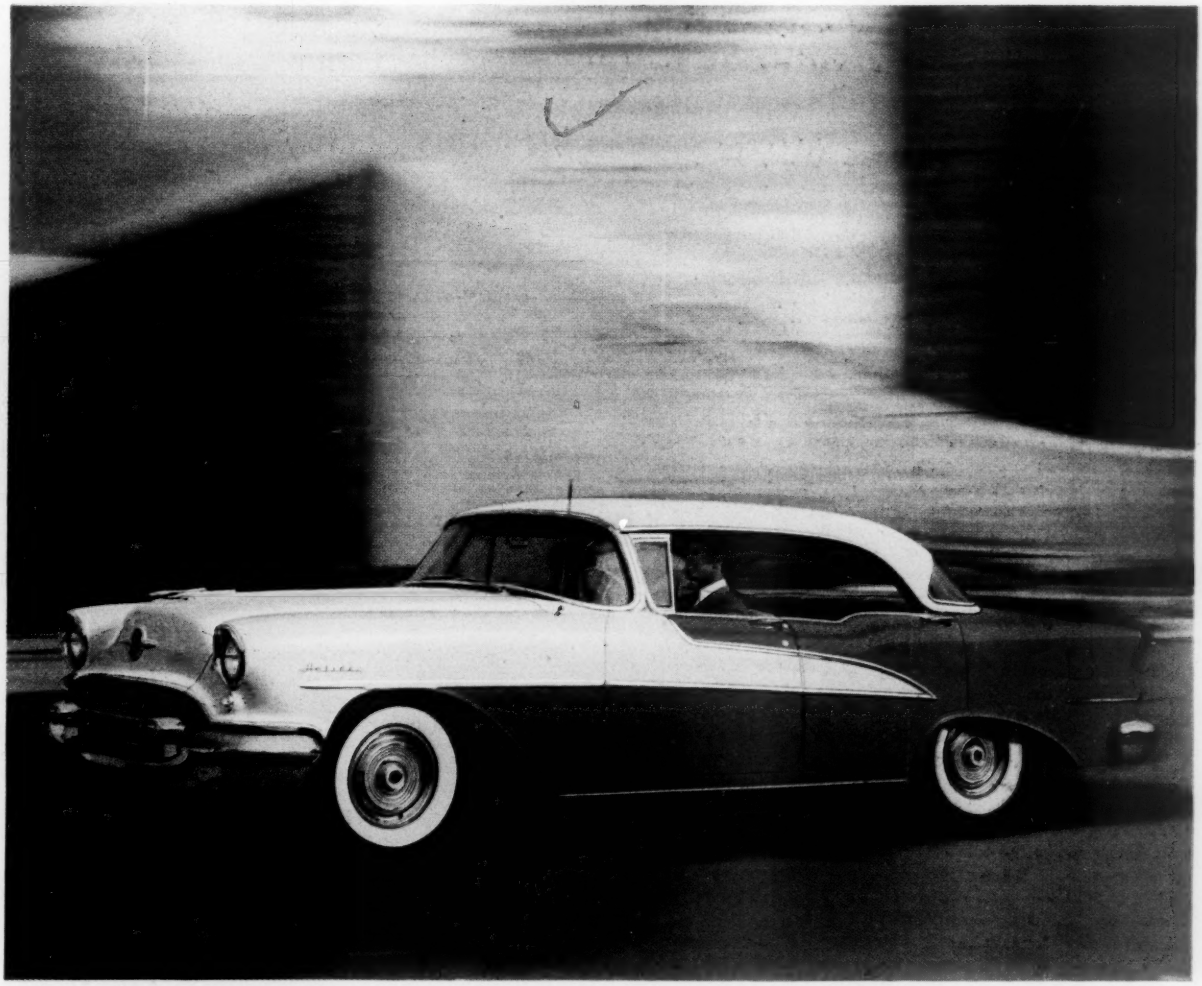
° ° °

17 Move cross town Sep (1230) Stuff 3 times day. Before left Puss gave shoes, socks, underwear. Good God Tully!

At 12:30 p.m. they moved us to another prison in another part of Mukden. It was a better prison, with bigger cells, and they fed us three times a day, with somewhat better food. But yet it was worse in the new place because there they separated me from Cameron, and put us into separate cells alone. Bad as it had been in the old prison, at least we had

(Continued on page 130)

Rocket Away!



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A brilliant streak of color on the highway . . . it's a flashing "Rocket" Engine Oldsmobile for 1955! That bold, distinctive "Go-Ahead" look and "flying color" styling—sweep everything else right out of the picture! You thrill at the smooth way it wings along . . . it's powered by the surging "Rocket" 202 Engine! And most likely, you find yourself longing to pilot this glamorous beauty! So go ahead . . . drive an Oldsmobile yourself! You'll find the going's great in a "Rocket 8"!

88

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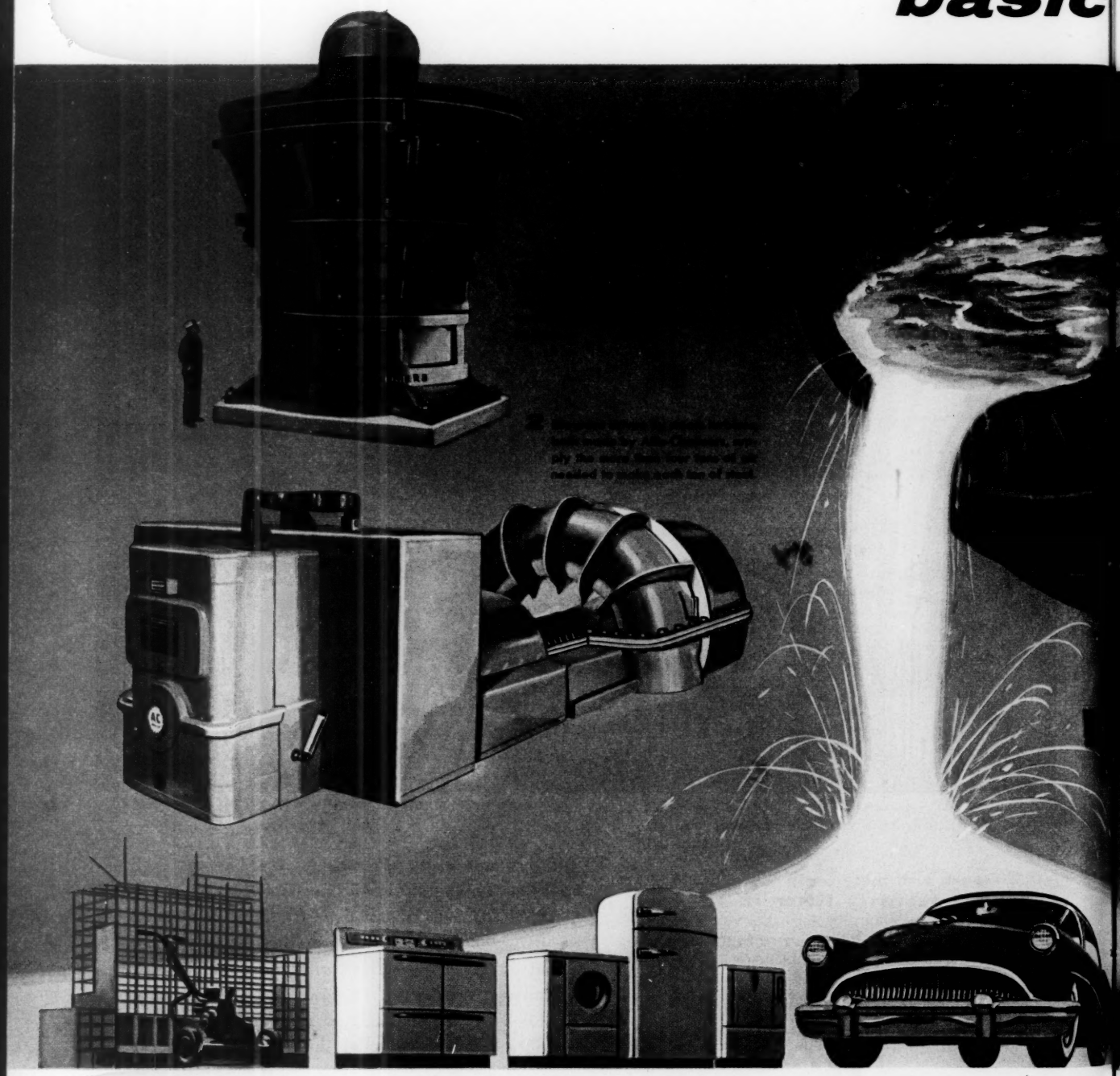
These machines

basic



Machinery and Equipment to Help People

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ic material of Good Living!

EVERY YEAR America produces the steel to make millions of automobiles and household appliances, billions of "tin cans"...plus ships, trains, toys, tools and countless other items. Last year over 63,000,000 tons of steel went into products that we use and enjoy in our daily living.

Steel is made in four distinct stages:

It starts as iron ore and other raw materials which are crushed, treated and made ready for the mills.

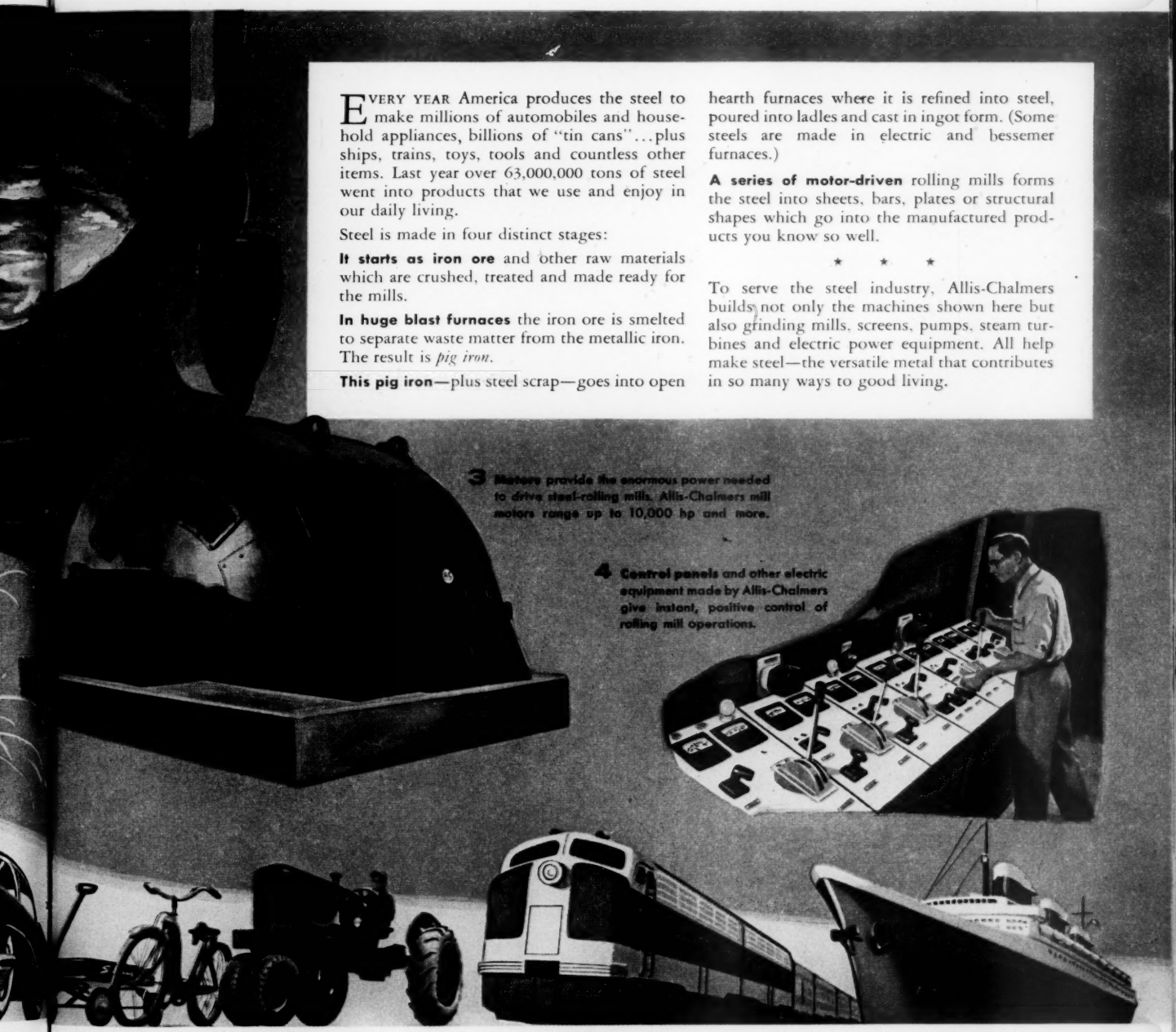
In huge blast furnaces the iron ore is smelted to separate waste matter from the metallic iron. The result is *pig iron*.

This pig iron—plus steel scrap—goes into open hearth furnaces where it is refined into steel, poured into ladles and cast in ingot form. (Some steels are made in electric and bessemer furnaces.)

A series of motor-driven rolling mills forms the steel into sheets, bars, plates or structural shapes which go into the manufactured products you know so well.

* * *

To serve the steel industry, Allis-Chalmers builds not only the machines shown here but also grinding mills, screens, pumps, steam turbines and electric power equipment. All help make steel—the versatile metal that contributes in so many ways to good living.



3 Motors provide the enormous power needed to drive steel-rolling mills. Allis-Chalmers mill motors range up to 10,000 hp and more.

4 Control panels and other electric equipment made by Allis-Chalmers give instant, positive control of rolling mill operations.

ple **Produce More, Have More—*LIVE BETTER!***

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New suit for firefighters, made of special aluminum-coated fabric, "Fyre-Armor," achieves 95% heat reflection. Yet the suit allows full freedom and weighs no more than ordinary clothing.

The new automatic transmissions. To secure precise castings, aluminum was specified for as many as twenty different parts. It won't rust or corrode, and it assures rapid heat dissipation.

For more of the good things of life

Easy to build—and portable. Poultry shelter has aluminum walls that reflect the summer heat. Birds keep healthy, gain weight faster. It's light to tow, won't rust, is easy to clean.

For outdoor living, more people are taking to aluminum furniture. They like its good looks, comfort, season-to-season durability. An aluminum serving table is a step-saver for Mother.

Because it is light, strong, and durably good looking, aluminum is put to more new uses these days than any other metal.

To make a ton of aluminum takes enough electricity to power a house for 15 years. To meet future U.S. needs for aluminum will call for tremendous new electric power. So it's fortunate that neighboring Canada has vast water power reserves not competed for by other industries. And right now, she is expanding her aluminum facilities to help meet the growing demand.

• • •

Aluminum from Canada benefits the U.S. economy two ways: helps provide factories the raw material they need; helps insure jobs for over a million U.S. metalworkers... **Aluminium Limited, Montreal:** one of North America's great aluminum-producing enterprises. (In New York: Aluminium Limited, Inc., 620 Fifth Ave.)

ALCAN

Aluminum *from* Canada

New Link With Europe—Telephone Under the Sea

Soon, a transatlantic phone call is going to be more like calling a friend down the street.

Service will be faster, voices will come in better.

That's what the telephone people promise, once the new cable is laid across the Atlantic.

Overseas radiophone has its drawbacks. Voices fade. Static interferes. Frequencies, too, are limited.

Better telephone service to Europe is coming. There will be less waiting for a line, and the sound will be clearer and steadier.

The improvement will come through the use of cable instead of radio, which now transmits transoceanic phone calls. The use of ether waves for voice communication doesn't always work. Telephone engineers are going back to old-fashioned copper wire.

The world's first transoceanic telephone cable soon will stretch 2,250 miles from Newfoundland to Scotland. A second cable will be sunk 20 miles to one side of it next summer. The new service, sponsored jointly by the American Telephone & Telegraph Company and British and Canadian organizations, will be ready late in 1956.

Expansion needed. The main reason cables are being laid at this time is that additional transatlantic phone facilities are badly needed.

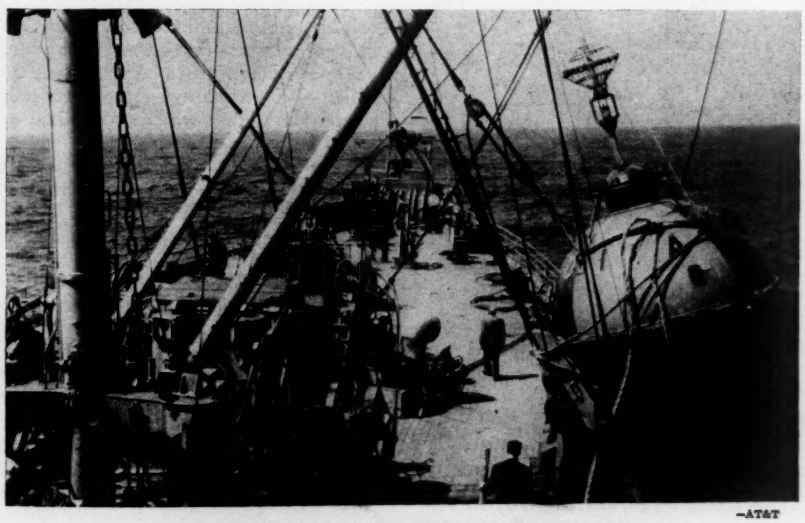
More than a million calls were made last year on transoceanic telephones—compared with 24,000 when overseas radiophone service was started in 1927. Radiophone service could be expanded very little, because of lack of available frequencies. Only 14 conversations now can be carried across the Atlantic at one time. When the cables are in use, they alone will carry 36 conversations at one time.

Radiophone service across the Atlantic will not be abandoned; the new cable phone will supplement it. Both will be needed to meet the demand. Phone calls to ships at sea still will require radio.

Delays. People trying to call friends in Europe or on shipboard now often wait for hours, even for days. This is partly because of traffic jams, partly because of atmospheric conditions.

The radiotelephone is at the mercy of northern lights, storms, sun spots and other disturbances. These affect the radio waves, which have to be "bounced" off the sky and aimed at the terminals. The

(Continued on page 46)



—AT&T

THIS SHIP WILL LAY THE TELEPHONE CABLE
. . . transatlantic TV may be next

A PEEP into "Pappy's Basket"

by
J. P. Van Winkle
President
Stitzel-Weller
(Old Fitzgerald)
Distillery
Louisville, Kentucky
Established 1849

Apparently some of you are reading these little columns because I get a basket-full of mail following each publication.

Not all the letters are complimentary!

I quote from one which calls me to task for specializing in the production and perfection of one old-fashioned Kentucky Sour Mash Bourbon throughout my 61 active years.

"A *specialist*," my correspondent twits me, "is a gentleman who knows very much about very little, and continues to learn more and more about less and less until eventually he knows practically everything about almost nothing at all!"

In reply, I asked my friend to critically sample my specialty, and if he were a man who savored his bourbon in modest helpings, to tell me if he still held the same low regard for specialists of my ilk.

"I accepted your challenge," he now writes.

"My *first* cold toddy, made with OLD FITZGERALD, brought a quizzical lift to the eyebrow; the *second* a fleeting grin; a *third*, the beaming smile of a man convinced.

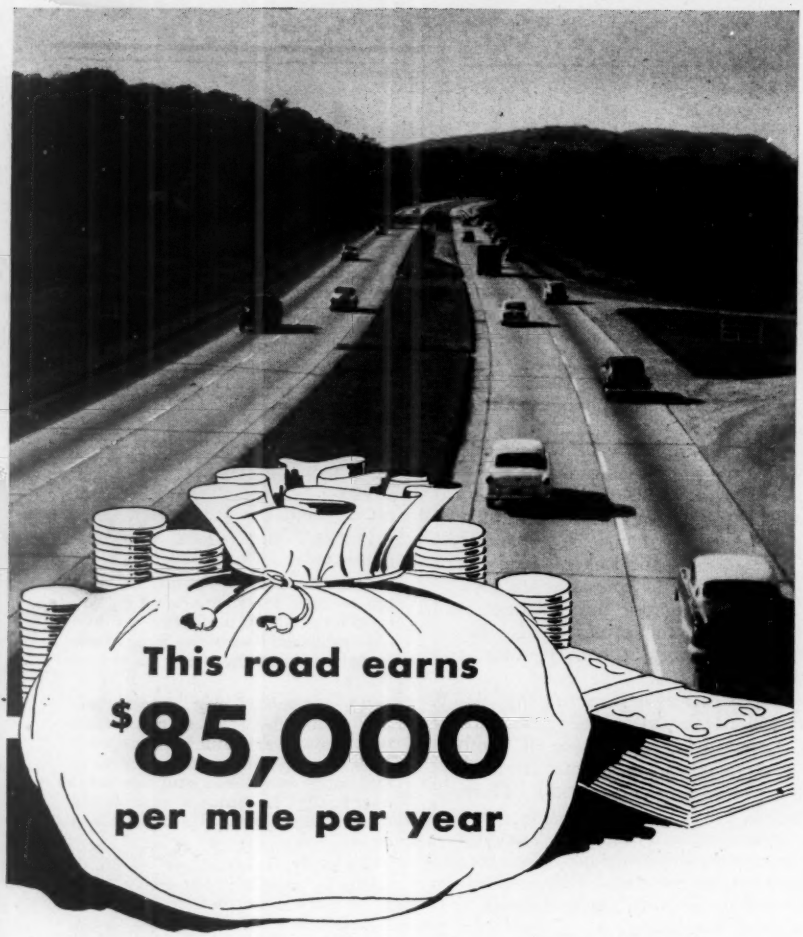
"Half-way through my second purchase, I now request that you soak my original letter in your delectable speciality, and cremate it with fitting ceremony."

Granted, ours is a narrow field. We have purposely kept it so. We are satisfied to be, not a Jack of *all* grades, but a Master of *One*.

As such, we find our OLD FITZGERALD steadily increasing in favor among a distinguished group of discriminating gentlemen who have made it *the final choice of their mature tastes*.

With my letter-writing friend, we welcome you to this inner circle of business executives who have discovered for themselves the satisfying character of OLD FITZGERALD, and find it good business to share, in moderation, with associates and friends.

Bonded 100 Proof Original Sour Mash Kentucky Straight Bourbon



A road earning money? Absolutely—in the form of gas taxes and license fees you pay to drive on it. The more vehicle miles of traffic a road handles the more money it earns.

This concrete road is U.S. 5 south of Hartford, Conn. The section shown carries a daily average of 40,000 vehicles.

The number of vehicles traveling this road per day	40,000
Times the average vehicle tax per mile in Conn.	$ .0058
Equals this road's earnings per day per mile	$232.00
Times the number of days in a year	365
Equals the annual earnings of this road per mile	$84,680
Minus the annual cost to build and maintain such a road during its expected lifetime	$10,000
Equals the annual net profit this road earns per mile	$74,680

Concrete roads are the biggest money-makers because they attract the most traffic and have the longest life and lowest annual cost. Other pavements often fail to earn their building and maintenance cost. This drain on available funds leaves less and less for new highway construction.

To motorists, who pay for highways, this is an important reason why all main roads should be paved with concrete.

PORTLAND CEMENT ASSOCIATION, 33 W. Grand Ave., Chicago 10, Ill.
A national organization to improve and extend the uses of portland cement and concrete through scientific research and engineering field work

[continued] **LINK WITH EUROPE: TELEPHONE CABLE**

results are fading of the voice and noises that sound like pounding waves.

Telephone conversations by cable between London and New York are expected to be as distinct as local calls, and delays because of heavy traffic will be infrequent.

Few things will disturb the cables, lying 2 miles deep on the broad plains of ocean mud. The 40-million-dollar lines are expected to last at least 20 years without maintenance. The biggest hazard will be ships' anchors dragging across them near shore.

Role in defense. The improved phone service across the sea will have great defense importance. Clear and unfailing phone communication could be vital in swiftly fought modern wars. Largely for defense purposes, a submarine cable also will be laid this summer between Alaska and Seattle, Wash.

Television broadcasts by cable across the ocean are envisioned for the future by telephone engineers. But the cables now being laid will not be able to transmit television. They will not **have** a broad-enough band width.

Phone calls on the new lines will cost the same as now, perhaps less eventually. A 3-minute call from New York to London now costs $12.

Only telegraph cables have been stretched under oceans until now. What makes telephone cables feasible at this time is a new "repeater," or amplifier. One of these will be spliced into the cables every 40 miles, magnifying the signals a million times.

Laying of the first successful transatlantic telegraphic cable, in 1866, was the result of another scientific advance, the discovery of gutta-percha, which proved to be a perfect insulator. Until then, the problem of insulating an electrically charged wire under water had balked efforts to lay submarine cables.

The new telephone cable has a core of copper wire, insulated by polyethylene plastic, which is surrounded by a flexible copper tube with protective coverings of jute and armoring wire.

Summer's work. The cable will be payed out all summer from a vessel sailing at about 7 miles an hour. Next summer the second cable will be laid. Both will lie north of the 18 telegraph cables that now cross the Atlantic. The work can be done only in summer, because the sea is not calm enough any other season.

A telephone cable is expected to cross the Pacific some day. Reliable global phone service is in sight—with the help of old-time copper wire.

Sodium Acid Pyrophosphates
Prepared cake mixes, doughnut flours

Monocalcium Phosphates—
Baking powders; pancake, corn meal, and waffle mixes

Calcium and Iron Phosphates
Enriching cereals, baby foods, flour

Tricalcium Phosphate—
Anti-caking agent for salt, powdered sugar, soda

phosphates

. . . help make better foods

Grandma was a *good* cook . . . with recipe secrets all her own. A pinch of this, a cup of that, and later, warm, sweet fragrances wafted from her kitchen. Back then, it required hours of painstaking care and years of experience to bake a cake. Today, thanks to Victor leavening phosphates, the cake that *didn't rise* is almost non-existent. Brides make perfect cakes . . . puddings in an instant . . . even *five* different kinds of pastries from *one* box of mix. All just as good as "grandma used to make" because today flour millers and food processors depend on Victor for phosphates. They know *it pays* to see Victor. Write Victor Chemical Works . . . 155 N. Wacker Drive, Chicago 6, Illinois . . . In The West: A. R. Maas Division, South Gate, Calif.

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(Advertisement)

Ned H. Dearborn

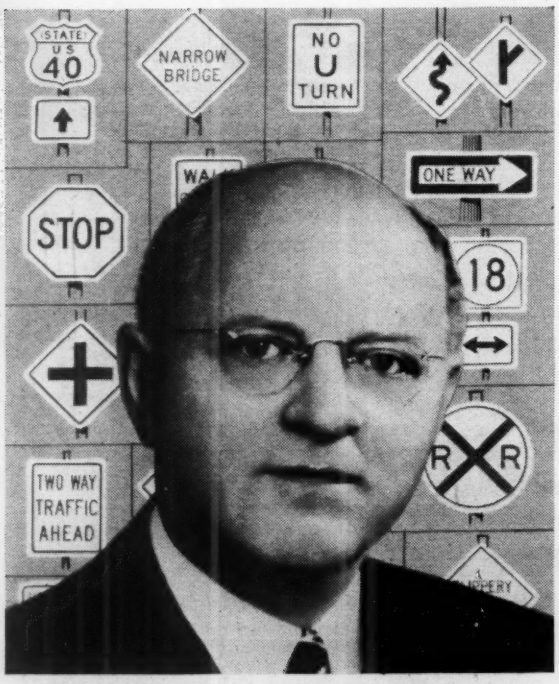
President, National Safety Council:

200,000 GUARDIANS OF YOUR SAFETY

WITH 9 cars for every 8 American families, we are now truly a nation on wheels. But we have had to pay a price for this national mobility of ours. It has created a gigantic safety problem.

Here at the Safety Council we feel that thousands upon thousands of service stations throughout the country are performing a very important service for greater nationwide highway safety.

* * *



Ned H. Dearborn, President of the National Safety Council since 1944 and a former Dean of New York University, comments on a vital aspect of the U. S. oil industry—its contributions to highway and industrial safety.

It is an unsung service, too. When a service station attendant—in any of America's 200,000 service stations—cleans our windshield, checks the oil, tires, water and lights, or reminds us that it's time to lubricate for safety, most of us take it for granted — never thinking that this service may well be protecting us from a serious accident.

Furthermore, scientists, working in the laboratories of dozens of competing oil companies, are constantly introducing new safety factors into oil products.

But safety does not stop with customers and products. America's oil companies are always thinking of improving safety conditions for more than a million-and-a-half employees. As a result, 1953 figures show that the industry's accident frequency rate fell 35 *to 40 percent* below the 1946 level. This is one of the most remarkable industry improvement records ever encountered by the Safety Council.

The oil industry's fine safety record — for customer, employee and in product development — is a typical result of our competitive business system. Unlike state-controlled industry, in America each company depends on public good will — good will it must earn by providing good products, good service, good value and, above all, by being a good citizen.

At the National Safety Council we feel that the oil industry's efforts on behalf of public safety are citizenship of a high order.

This is one of a series of reports by outstanding Americans who were invited to examine the job being done by the U. S. oil industry.
This page is presented for your information by The American Petroleum Institute, 50 West 50th Street, New York 20, N. Y.

PERÓN STILL IS IN TROUBLE

Squashing the Revolt Didn't Settle Everything

Juan D. Perón is putting his political power to a full test in Argentina.

The dictator is showing off his hold over the Army. It helped him snuff a revolt.

He is showing off his defiance of the Catholic Church in a Catholic country.

Perón is out to prove who's boss.

But the strong man's troubles aren't over. One revolt can lead to another.

And he has other problems. Trade is one. Industrial production is another.

Money is coming in to develop and expand the country, but some potential investors are wary of Perón's past record.

BUENOS AIRES

Argentina's strong man, Juan D. Perón, has become an embattled dictator with trouble on his hands.

Having crushed every source of opposition except one, the Roman Catholic Church, Perón turned vigorously upon that institution. For his pains, he was excommunicated. An attempted revolution quickly followed. Bombs fell on the presidential palace and many were killed or injured.

With a loyal Army behind him, Perón had no difficulty putting down the revolt. But open opposition to Perón on such a scale is something new in Argentina.

Those who flout the dictator usually get hurt. Argentineans have learned that lesson, often painfully. And yet his anti-Church acts brought Catholic resistance to the point of bloody street riots. The attempted revolt that followed showed that his control over all the armed forces was less complete than had been generally supposed.

The aftermath leaves Perón locked in a struggle with the Church. The people of Argentina are 90 per cent Catholic and some observers think he has underestimated the strength of his adversary. Now he faces the problem of cleaning up the dissident elements who showed themselves in the revolt, of dealing with a complex economic situation and of carrying on his anti-Church campaign in the meantime.

A dictator's worries. What Perón apparently fears is the formation of a Christian Democratic Party, under Catholic leadership, that would challenge his rule of Argentina. Throughout the country he has many enemies, all of them powerless as of now. A Christian Democratic Party might recruit strength from numerous groups, including the Government-controlled General Confederation of Labor.

Perón, always quick to stamp out the seeds of rebellion before they can sprout, is determined to prevent such a development. He insists that his fight is not against the Church, but against "bad priests" who mix into politics and labor affairs.

The battle was joined last November. In its early stages, Catholics protested, but did little else, about two measures designed to show them who was boss. These measures legalized divorce and the remarriage of divorced persons, for the first time in Argentine history, and legalized prostitution.

—Wide World

PERONISTS HANG CHURCHMAN IN EFFIGY
. . . in a nation that's 90 per cent Catholic

In recent weeks Perón followed up with a series of acts aimed directly at the Church. Government financial support was withdrawn from Catholic schools. Teachers of religion, mostly Catholics, were ousted from the public schools. Church property was made subject to taxation. All told, these measures will cost the Church some 20 million dollars a year. Machinery to deprive the Church of its status as the official religion was set in motion. And some 90 priests were arrested.

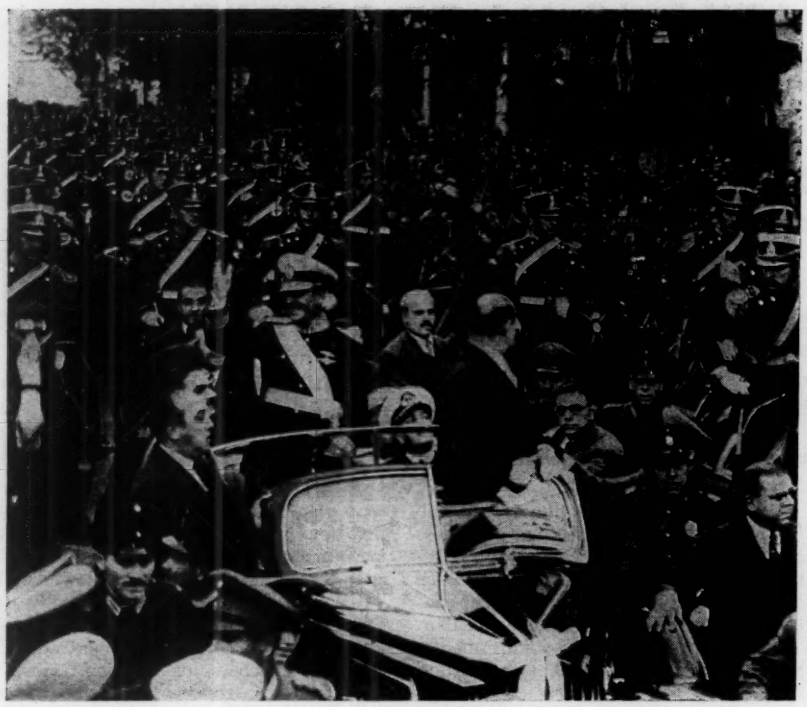
Catholics smoldered, but were helpless. Finally, there came an opportunity to show defiance. Perón placed a ban on outdoor religious processions. As in many Catholic countries, church processions are traditional on special days. In Buenos Aires and outlying cities, the ban was defied, the processions continued.

Not all these processions were planned as observances of special days, however. Regardless of the occasion, worshipers leaving the Metropolitan Cathedral in Buenos Aires took to marching through the streets shouting: "Long live Christ the King" and "Christ, yes; the other, no."

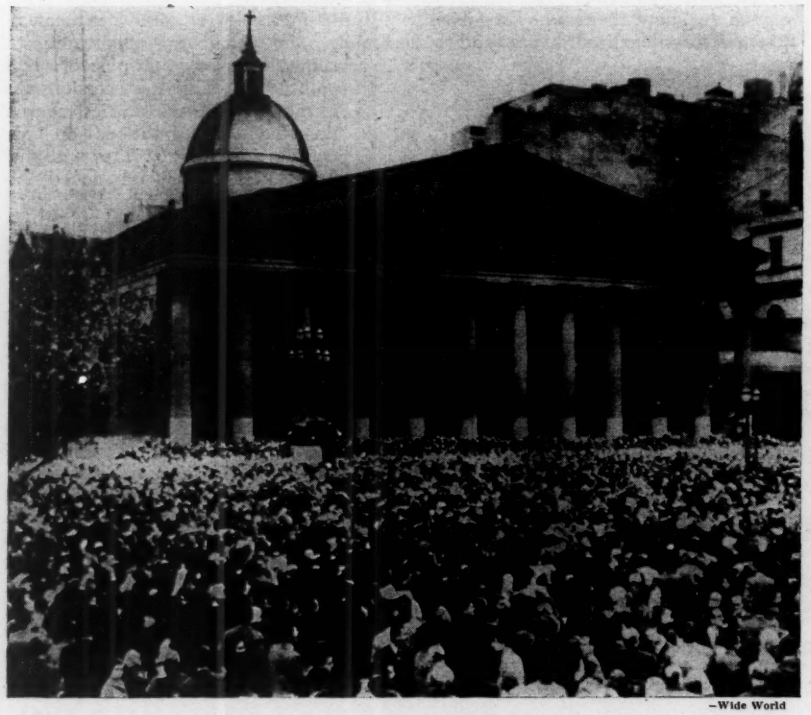
There were pitched battles with the police and with Perónists extremists of the type who burned the Jockey Club two years ago. The demonstrations were broken up. In one recent week end, more than 20 were shot or otherwise wounded and several hundred were arrested.

After those disorders, Perón warned that his supporters would suppress further disturbances "with all energy." Looking for proof of a

TWO FORCES BATTLE IT OUT IN ARGENTINA



POMP OF STATE surrounded popular Perón in 1946 inaugural parade (above). POWER OF CHURCH is shown in scene below, as thousands of Catholics stage forbidden 1955 demonstration



—Wide World

conspiracy against him, he sent his police to search the homes and offices of priests and men high in the Catholic Action organization. A few hours later, he charged that two high-ranking clerics—one of them the acting cardinal in Buenos Aires—had instigated the disorders.

Although these two clerics are native-born Argentineans, police hustled them onto a plane headed for Rome and exile. Then followed, in short order, the Vatican's order excommunicating Perón, and the attempted revolt by elements of the Navy and the Air Force.

Meanwhile, Perón has been waging an active, if less publicized, fight on groups of university students who chafe under Government restrictions. Student demonstrations were put down roughly at the University of Buenos Aires last autumn. Police arrested hundreds of students. The university was closed for weeks. Most of the students were held for months without the filing of charges. Many have been released, but others have been arrested.

The reason why. The biggest reason behind Perón's fight on the Church and on the students is his determination not to allow effective opposition to develop. No group or individual is allowed to reach a political stature that would permit a challenge of Perón's all-embracing power.

Apparently he still has the backing of the country's big General Confederation of Labor and of millions of lower-class Argentineans, the "descamisados," or "shirtless ones," whom he and his late wife, Eva, drew to their support.

The Perón Government has given these people more attention than any preceding Government. The cost of living is 6½ times what it was in 1943, but wages have been raised repeatedly. A start has been made toward a social-security system. Hours of work have been shortened. A limited amount of hospital care is available to some workers.

Argentineans of all classes eat well, probably better than the people of any other Latin-American country. They are accustomed to meat and white bread twice a day. Per capita consumption of beef and veal in Argentina in 1953 was 179 pounds, as against 86 pounds in the U. S. Some say that as long as the Argentine people get their beef they will continue to stand behind Perón. He sees that they get it, by holding down prices.

But the relatively high scale of living inside Argentina is a key to Perón's biggest economic difficulty.

For generations Argentina lived off exports of meat and farm products. But, with a fast-growing population, less and less now is left over for export, and more and more goods are needed from outside

(Continued on page 52)

Chicago, Rock Island and Pacific Railroad Company, famous for its diesel "Rockets" and its many "firsts" in railroad developments, utilizes Copyflex to produce necessary copies of I.C.C. reports, waybills, and a variety of other accounting reports. This elimination of manual transcription speeds paperwork, saves thousands of dollars annually.

Schenley Industries, Inc., one of America's leading distillers, uses Copyflex to make copies of many different accounting reports and a variety of sales, legal, budget, and market research reports. Management gets important information faster. Schenley realizes significant savings in reduced time, effort, and errors of manual copying.

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[continued]

PERON STILL IS IN TROUBLE

—Fischetti, NEA Services Inc.

"THE CROSS THEY BEAR"
To Rome: exile clerics

the country. Exports are not bringing enough dollars and sterling to cover all the things Argentineans would like to buy abroad.

Perón is trying to solve this problem by increasing domestic production of things that now are imported. To do so, he must have outside capital. In the early days of his rule, he made things difficult for foreign investors. But now he needs such help and is getting it.

Argentina produces less than half enough oil to meet the country's needs, spends more than 170 million dollars a year for imported petroleum products. So Perón is arranging with foreign companies, mostly American, to come in and find and produce oil, in Patagonia and elsewhere. A long-range contract with one U. S. company has just been negotiated, and several others are pending.

U. S. and Argentine capital is joining in the construction of a 25-million-dollar automobile factory. A credit of 60 million dollars from the Export-Import Bank is helping to finance the country's first real steel industry. In addition, European capital is beginning to set up plants of various kinds.

Some investors remain skeptical. They are not satisfied with the 8 per cent limit on profit remittances specified under Perón's new foreign-capital law. Others shy away because of Perón's past treatment of foreign investments. They also want to be sure of the stability of the Perón regime.

The dictator. Perón is 59, a strapping and robust 6-footer, strong, shrewd and resourceful. He is a sparing drinker and a chain smoker, has been an athlete and a lover of sports all his life. He also is aloof, lonely, a man with few close friends and many enemies.

Perón was born on a ranch in Buenos Aires Province, attended the National Military College and entered the Army. One Army assignment took him to Italy, where he acquired an admiration for Mussolini's way of running a country. A revolution, a series of coups and an election placed him in power in 1946.

With him to power came his wife, Eva, or Evita, as the Argentineans called her, beautiful and ambitious, with a flair for politics that matched her husband's eagerness to lead. It was she who rallied the "descamisados" behind him and undertook far-reaching social reforms.

Evita's social work brought her into competition with Catholic welfare organizations. Catholics were annoyed when her followers habitually referred to her as the "Spiritual Chief of the Nation." A movement to make her a saint after her death, in 1952, rankled with them.

—United Press

MODEL TOMB FOR EVA
. . . no "saint" in Catholic eyes

—Dobbins in the Boston Post

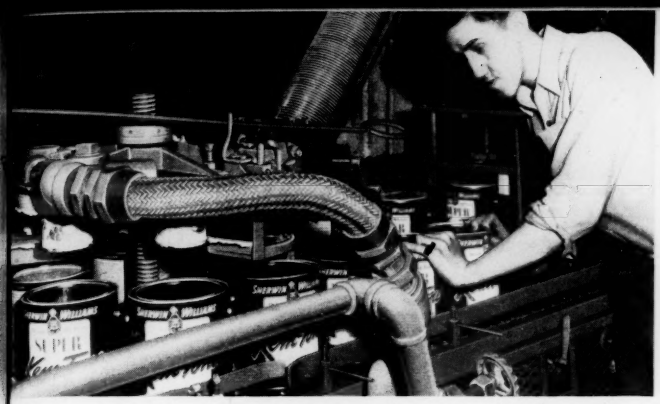
"I'LL SHOW YOU WHO'S GOD!"
From Rome: excommunication

Today, many devout Catholics are irked when they pass the site in suburban Palermo where a gigantic memorial, bigger than the Statue of Liberty, is being erected to honor her.

Perón, by crushing the revolt and remaining in power, has won this round in his fight. It's hardly more than a decision on points, however, for he has been declared outside the pale by his Church. And this may have a decisive effect on his future.

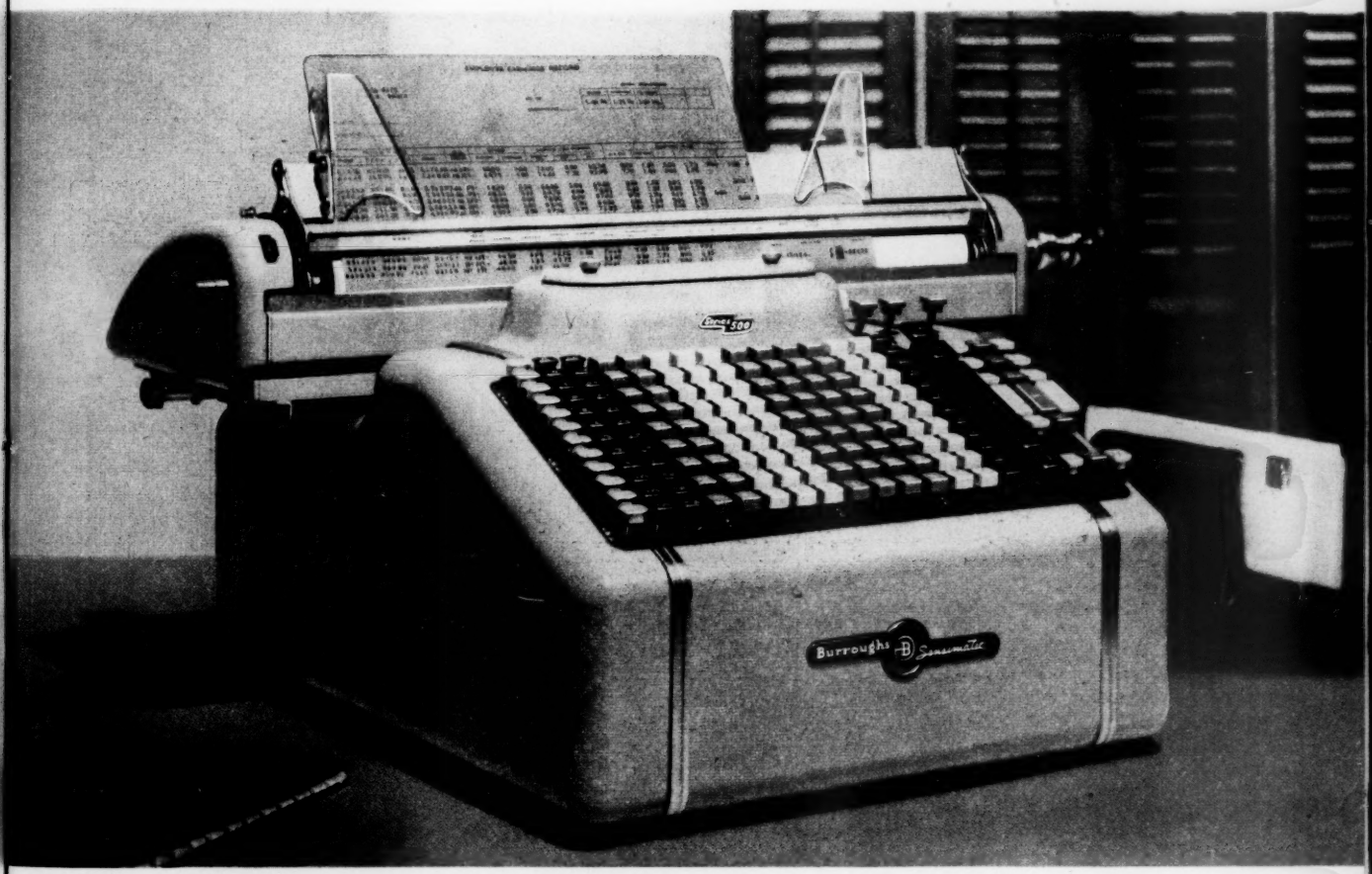
In the last analysis, Perón relies on three forces to maintain himself in power. These forces are the National Police, the Army and the General Confederation of Labor. The National Police, many thousands strong, is well armed, carefully trained and led by Army officers. The Army of 100,000 men is an even more formidable force. The labor organization, with membership running well into the millions, is able to furnish rough-and-ready shock troops. Perón never has relied heavily on the Navy and the Air Force, whose members attempted the recent revolt.

As long as the National Police, the Army and the Labor Federation remain loyal to Perón, he will be able to stay in power. Up to now, they have been loyal. Nearly all of their members, however, are Catholics. There is a chance that the excommunication of their leader may cause some of them to waver. If religion proves stronger than personal loyalty among enough of his followers, Argentina's dictator is to find that his troubles have only started.



National like Sherwin-Williams

Or local like Warner Paint Company



Burroughs Sensimatics can cut your accounting costs

Size doesn't matter. Or the *kind* of business you're in. If you're involved with accounting, this machine can save you money.

Say you're big — like Sherwin-Williams, world's largest paint producer. By concentrating Sensimatics on your toughest jobs, as Sherwin-Williams does, you could handle greater volume with fewer people. Output would go up, costs down.

Or say you're at the local level—like Warner Paint Company, a leading retailer in Forest Park, Ill. Using a single Sensimatic, like Warner, your accounting could be completely mechanized. *One* of these versatile machines could handle your entire accounting operation.

How can they do so much? Why are they so versatile? It's like this:

Sensimatic Accounting Machines are built with an *exclusive Burroughs mechanism*—an interchangeable sensing panel that guides each movement. With it, they're more automatic, and thus *faster on any job.* And, because each panel lets you do four major jobs at the turn of a knob, a Sensimatic is actually *four machines in one.*

If you can stand some cost-cutting, let us demonstrate. Call our branch office listed in your local telephone directory. Burroughs Corporation, Detroit 32, Michigan.

Wherever There's Business There's Burroughs

Burroughs and Sensimatic are trade-marks

The fabulous Ford Thunderbird which has captured the fancy of America with its long, low exciting styling and its split-second Trigger-Torque power, has set the pace for all '55 Fords.

There's a touch of Thunderbird in every FORD

The way it looks, the way it goes, the way it's built, *everything* about the 1955 Ford shows it was cut from the same cloth as the heart-stealing Ford Thunderbird.

You'll see the resemblance in the graceful flair of Ford's long, low lines . . . and in the skillful harmonizing of interior colors.

You'll feel the kinship in the reflex-quick obedience of Ford's Trigger-Torque power . . . split-second response that makes you feel safer when passing and under all driving conditions.

You'll also experience Thunderbird-like ease of handling with Ford's Ball-Joint suspension. You'll find what a smooth difference Ford's Angle-Poised ride makes on all roads.

You'll know how well a Ford is designed and built, too! For Ford shares the same engineering, the same quality standards that won first place for the Thunderbird in the hearts of so many.

It has that Thunderbird look from stem to stern! You can see relationship in Ford's low silhouette, visored headlights, distinctive tail fins—*everywhere.*

It has Thunderbird "GO" in your choice of two mighty Y-block V-8 engines and the power-packed I-block Six. Each offers Trigger-Torque "GO" that obeys your commands "reflex-quick."

Treat yourself to a Trigger-Torque Test Drive TODAY!

WILL U.N. LAST ANOTHER 10 YEARS?

Its Record—Some Successes, Many Failures

At 10 years of age, the United Nations has many troubles behind it, and an uncertain future coming up.

It's a bystander at peace moves now going on—often ignored.

Yet United Nations machinery is busy, thriving. Doing what? Here is a report on its past and a look at what lies ahead.

SAN FRANCISCO

On all sides, statesmen of the world are maneuvering to bring about at least a truce in the "cold war."

At Geneva, Switzerland, on July 18, President Eisenhower will meet with Britain's Sir Anthony Eden, Russia's Nikolai Bulganin and France's Edgar Faure to talk peace.

Foreign Ministers of the U. S., Great Britain, France and Russia will take up where the heads of government leave off in an effort to reconcile differences that divide the world into two spheres.

Chancellor Konrad Adenauer of West Germany has just concluded a visit to the White House in Washington, where the future role of his nation was discussed. Prime Minister Jawaharlal Nehru of India has been in Moscow discussing the future in his part of the world. The Japanese and the Russians have been meeting in London on a peace settlement between their countries.

There is intense diplomatic maneuvering on all sides. Yet this activity is largely outside the machinery of the United Nations—an institution the world once expected to become the agency through which nations would settle their disputes and around which peace would grow and become everlasting.

Bystander. At the age of 10, celebrating its birthday, the United Nations is found to be filling a role that is somewhat cloudy and still not sharply defined. Often it turns out to be the role of a bystander in affairs where the U. N. was supposed to play the lead.

Military alliances now encircle the world. Those alliances are outside the United Nations. Instead of one world-wide grouping of nations, there is a world divided between East and West. And on each side of the dividing barrier there are regional groupings among nations.

The United Nations itself has charter authority for an international police force to keep the peace—but no such force exists. Designed to function on critical matters through a Security Council, the U. N. finds that Council impotent—stymied by a veto exercised by one of its permanent members, the Soviet Union. With the Security Council helpless, U. N. diplomatic business largely is carried on through a General Assembly of 60 member nations. Diplomats find it difficult to make the Assembly over into something other than a forum for debate and a sounding board for cold-war propaganda.

It appears, in other words, that the

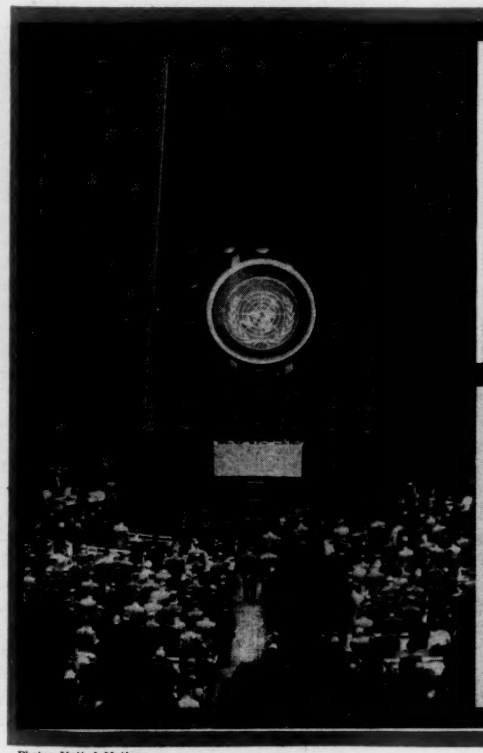


Photo: United Nations

THE UNITED NATIONS . . .

Born	June 26, 1945 at San Francisco
Purpose	to settle international disputes
Charter members	51 nations
Present members	60 nations out of 82
Annual cost	40 million dollars
Total employes	15,000

. . . AND THE RECORD

Disputes dealt with	40
Treaties initiated	58
Wars fought	1 (Korea)
Wars won	None (shooting halted by truce)
Local wars mediated	3 [Israelis vs. Arabs; Indians vs. Pakistanis; Indonesians vs. Dutch]
U.N. standing armed forces	None

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[continued]

ANOTHER 10 YEARS FOR U. N.?

United Nations has not lived up fully to the expectations of its founders. Hopes that were high 10 years ago have been scaled down by the reality of events. If the experience of the first decade is repeated in the second, serious questions are bound to arise concerning the fate of the whole U. N. concept. It is recalled that U. N.'s predecessor—the League of Nations—functioned only 20 years before foundering in a tangle of crises that ended in a world war.

Hectic life. In its lifetime the United Nations has had one war fought in its name—the war in Korea. The U. N. side of the war was fought largely by one member, the United States. Another member, the Soviet Union, financed and supplied the U. N.'s enemy—Communist China. The U. N. accepted a truce in that war, and the truce has since been flouted by the enemy without drawing a U. N. reaction.

Another war—that in Indo-China—was settled outside the machinery of the United Nations. In the settlement, U. N. members, acting independently of the U. N. itself, agreed to a truce that gave half the country to Communists.

A member of the United Nations Security Council, Nationalist China, now is being threatened with war by a nonmember of the U. N., Communist China—which has the full backing of another member of the Security Council, Soviet Russia. And the Nationalists have a treaty guarantee of aid against aggressors by still another Security Council member, the United States.

Successes and failures. Over the last 10 years, 40 "threats to the peace" have come before the United Nations and clear successes for the world peace organization have been few. Soviet Russia pulled out of Iran under U. N. pressure. Britain and France took their troops out of Syria and Lebanon after appeals to the U. N. Three local wars were brought to an end partly through U. N. auspices.

But there are many failures on the record. Britain and Egypt settled their differences over the Suez Canal by direct negotiations after U. N. intervention seemed only to deepen the bitterness on each side. U. N. condemnation of the Spanish Government did not weaken that Government, and eventually the U. N. backed down. A United Nations appeal to the big powers to call off the cold war had no effect save to focus attention on the division in the world.

With all its troubles, however, the United Nations draws large support within the United States and within many other important nations. Diplomats find it a highly convenient place to get together to talk over world problems. The U. N. is a vast clearing-house of information on all manner of subjects. Its agencies function around the world trying to promote international understanding, trying to soften disputes or to supervise agreements in local wars.

Yet the United Nations of today is not a universal organization.

Germany, in many respects the strongest nation in Western Europe, is not a member. Neither is Japan, potentially the strongest nation of Asia. Italy is on the outside, denied membership by Soviet veto. Korea, where the U. N. fought its only war, is not one of the United Nations. Neutral Switzerland has chosen to stay outside the organization. Spain has not asked for membership, either.

In a world of 82 nations, about a third of them still have no voice in the forum of the United Nations.

Then just what is the U. N. and what is it doing on its tenth birthday?

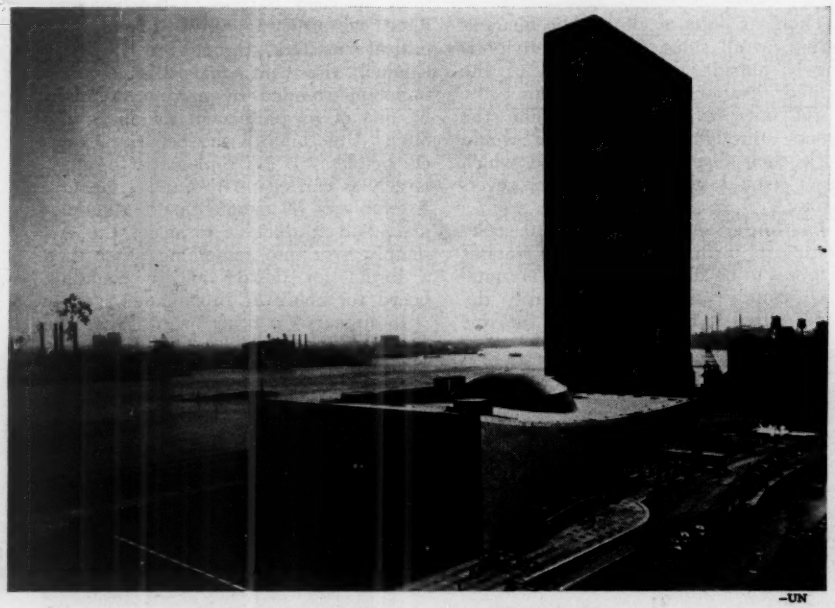
Today's United Nations. The world organization of the present is a loose association of 60 of the world's nations. The most important of this group, listed as permanent members of the Security Council, are the U. S., Britain, France, the Soviet Union and Nationalist China. The six other Council places are filled by U. N. election from the General Assembly, to which all member nations belong.

Permanent home of the United Nations is New York City. The U. N.'s imposing buildings—put up with a 65-million-dollar loan from the U. S.—stands on an 8.5-million-dollar tract of land donated by John D. Rockefeller, Jr. In their brief lifetime the buildings have become one of the leading tourist attractions of the world, at admission rates of $1 for adults and half that for children. Servicemen of all member nations get in free.

The U. N. lives in a glass house—a 39-story skyscraper of glass set in a steel frame—that shelters the permanent staff. Beside the skyscraper is the domed Assembly Hall with 45-foot picture windows on one side and 110-foot translucent windows on the other. A third, smaller building houses a library, conference rooms and additional offices.

The headquarters is the "home office" for a staff of 4,151 employes—professional civil servants, experts of all kinds, translators, typists, clerks, guards who work for U. N. proper. Its affiliated

(Continued on page 58)



—UN

THE U. N. LIVES IN A GLASS HOUSE
Twenty-two nations still are on the outside, looking in

On the beam for plywood

Unknown fifty years ago, the Plywood Industry now helps house America from basement to roof. Here's the story and the part commercial banks played in it.

Half a century ago plywood's light was literally hidden under a basket.

The story begins at the Lewis and Clark World's Fair in Portland, Oregon. The year was 1905. And for the first time fair-goers saw American-made Douglas fir plywood —humbly fashioned into fruit baskets!

Hardly anyone who looked at the new-fangled product foresaw its future. But a handful of imaginative lumbermen did. And to help develop our modern plywood industry they turned to banks.

Timber!

Today bank loans provide cash for felling and transporting trees. Bank loans help pay for machinery to peel giant logs down to supple veneers, and to cross-bond them into incredibly strong plywood panels. And on the retail side, bank loans frequently help local merchants stock everything from rugged exterior plywood to artistic interior panels.

Prosperity Across the Board

The results you can see everywhere about you . . . quicker construction, more varied beauty in homes and offices, greater strength and versatility wherever wood is used.

Bank help to the plywood industry affects all of our people, because money put to work by commercial banks results in more jobs for men and women. This in turn means more production, and a higher standard of living for all of us.

The Chase Manhattan Bank of New York, a leader in loans to American industry, is proud of banking's contribution to the plywood industry and to the continuing progress of our country.

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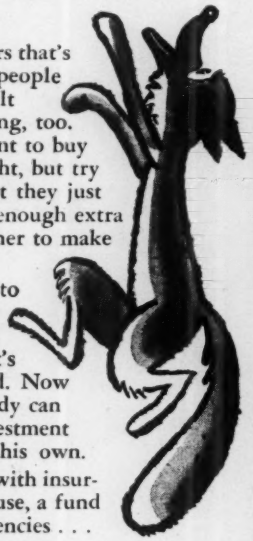
The Fox
and the Grapes

Nearly everybody knows this one—the story of the half-starved fox who kept jumping in vain for the grapes, finally gave up in disgust, and stole away snarling that they were all sour anyway.



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ANOTHER 10 YEARS FOR U. N.?

agencies have more than 10,000 other employes. Pay ranges from the $3,600-a-year "take-home" of the bottom-rung professional workers to the $55,000 that is available annually to Secretary General Dag Hammarskjold of Sweden for salary, housing and expenses. Salary figures are "after taxes."

Most of these approximately 15,000 employes are concentrating on matters not directly concerned with war and peace in an organization dedicated to preserving peace. The United Nations is a wilderness of committees, subcommittees, subsidiary organs, agencies, commissions, boards, advisory groups and the like. Few experts know all the groups that operate inside the organization. One whose job it is to know says frankly:

"They spring up like mushrooms and I can't swear that there may not be some new ones or that others have not ceased to exist."

The General Assembly alone had 39 committees at one recent count. The assignment for one of them was to "define aggression." Another is a "Commission to Investigate Whether Conditions Exist for Free Elections in Germany." The Commission has never set foot in East Germany.

There is a Trusteeship Council that keeps tab on 200 million people who do not have self-government. It also watches over 17 million living in trust territories. These are areas administered by some of the member nations of the Council. The Council includes the U. S., which is responsible for the Pacific islands taken from Japan in the name of the United Nations.

The World Court, officially the International Court of Justice, is the judicial arm of the U. N. It sits in The Hague, where 15 judges of different nationalities decide conflicts brought to them by the countries of the world.

The Economic and Social Council of the United Nations is the biggest "carry-all" subsidiary. It has commissions scattered all over the world trying to standardize statistics, watching over tariffs and trade, taxes, refugees, the status of women, finance, transport, communications, drug traffic, human rights and many other matters.

–UN

THE SECURITY COUNCIL
The veto seems to be here to stay

Alphabet agencies. Among the major satellites of the United Nations, operating on separate budgets, are the following organizations, known as the international "alphabet agencies." Many are far older than the U. N. under which they function.

ILO. The International Labor Organization seeks to set minimum world standards for working and living conditions.

FAO. The Food and Agriculture Organization, founded in 1945, is out to promote the growing of food, fibers and timber. It does such things as sending U. S. hybrid-corn seed to Europe and Asia. It has 71 members.

UNESCO. The United Nations Educational, Scientific and Cultural Organization, founded in 1946, promotes

world co-operation in the fields indicated in its title. It has 69 members.

ICAO. The International Civil Aviation Organization, founded in 1947, promotes safe, orderly development of air transport. It has 62 members.

UPU. The Universal Postal Union regulates world mail service.

ITU. The International Telecommunication Union regulates telephone, radio, cable and telegraph communications among nations.

IBRD. The World Bank—officially the International Bank for Reconstruction and Development—makes loans to bolster national economies. Its capital totals 8.5 billion dollars.

IMF. The International Monetary Fund is intended to stabilize world currencies.

WHO. The World Health Organization promotes health standards and coordinates the fight against disease.

WMO. The World Meteorological Organization is engaged in world-wide weather reporting.

IMCO. The International Maritime Consultative Organization is now being set up to regulate shipping by sea. It is not yet operating.

OTC. The Organization for Trade Cooperation, now projected, is to promote trade among nations. It will be the administrative agency for GATT—the General Agreements on Trade and Tariffs, ratified by 34 countries.

Voluntary agencies. In a separate category are the following voluntary agencies, operating under the United Nations.

UNICEF. The United Nations International Children's Emergency Fund seeks to improve the health and welfare of children and mothers the world over.

UNRWA. The United Nations Relief and Works Agency for Palestine Refugees was set up to aid and resettle the 872,000 people dislodged by the Israeli-Arab war.

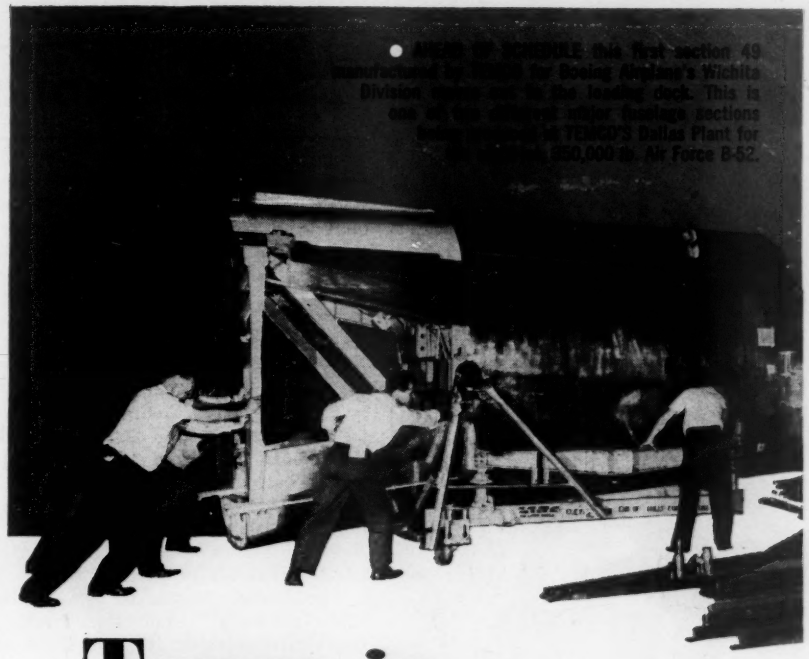
UNKRA. The United Nations Korean Reconstruction Agency assists war-damaged Korea. The U. S. has pledged 65 per cent—162.5 million dollars—of its budget.

TA. Technical Assistance is a United Nations program for helping underdeveloped countries. To date, 110 areas of the world have received assistance from such experts as engineers, economists, biologists and many others.

Workers for the world. To staff the United Nations itself and its many subsidiary agencies, U. N. operates what is, in theory, an "international civil service," whose employes are supposed to forget national loyalties while working for the world organization.

Actually, however, the U. N. Secre-

(Continued on page 60)



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[continued] **ANOTHER 10 YEARS FOR U. N.?**

tariat recognizes the realities of nationalism. For example, Ilya Tchernychev of Russia is an Under Secretary of the United Nations, but one official said he "behaves like a messenger boy for the Soviet delegation—and that is just what he is." Consequently—because national loyalties cannot be ignored—U. N. jobs are allotted by quota among member nations.

The U. S. has a quota of professional jobs that ranges from 293 to 394. Russia's quota runs from 124 to 166, plus 35 allocated to the Ukraine and Belorussia. Actually, only 18 U. N. officials hold Russian passports. Nobody but the Russians knows why the Soviet Union has failed to fill its quota of jobs.

The United States, so far, has worried far more about the loyalty of Americans working for the U. N. than the U. N. itself has worried about the reliability of its employes.

Twenty-seven American employes refused to answer U. S. Senate questions about possible Communist activities in 1952. All were fired by the Secretary General, and subsequently 17 of them were awarded $179,420 in damages by the World Court. In 1953 the Federal Bureau of Investigation checked nearly 1,800 Americans in U. N. headquarters. The number dismissed, if any, has never been announced.

The U. N. has no machinery for eliminating Communists who come from countries other than the U. S.—although it has a practice of not hiring Reds or fellow travelers of non-Communist countries.

Financing U. N. Cost of operating the United Nations is covered by assessments against its members. From the beginning the U. S. has been, by agreement, the largest contributor.

The U. S. share for the U. N. proper this year comes to around 14 million dollars. In addition, America will put up 80 million to help finance specialized functions, not counting Korean reconstruction. Soviet Russia pays 6.8 million in dues for the Soviet Union, the Ukraine and Belorussia.

Some critics argue that the U. S. is being "hooked" because it pays a third of the cost and gets only one sixtieth of the vote. On a per capita basis, however, Canada, New Zealand, Sweden and Iceland all pay more than the 8.6 cents per year that U. N. dues cost each American.

What, really, is the organization that all this time, money and effort have produced to settle the troubles of the world?

Acting on its own, the United Nations can do nothing at all. It is not a superstate or a world government. It levies no taxes, drafts no soldiers, has no police powers and passes no laws. It cannot force any member nation to do anything the nation doesn't want to do. The

—UN

THE U. N. CAN FIGHT DISEASE
It has been less successful in fighting wars

methods of the U. N. are those of persuasion, nothing else.

"Remember the League." The United Nations shares many of the weaknesses of the old League of Nations, whose business and properties it took over.

Both proved they could settle "little wars" in some cases. Both failed to check or halt rearmament. Both knew successes in the fields of economic and social co-operation among nations. But the League never found a formula for world peace—nor has the United Nations.

The next 10 years. No one can say now exactly where the U. N. is going. Although the Russians on occasion have "boycotted" deliberations, the U. N. has not been plagued by spectacular resignations as was the League. There is no provision in the United Nations Charter for any member to quit. None has.

The U. S. shows no signs of walking out. A few people of prominence want America to quit, but President Eisenhower favors staying in the U. N. So do the two living former Presidents, Herbert Hoover and Harry Truman.

The U. S. does favor holding a conference to review the U. N. Charter and will vote for one when the General Assembly meets in September.

Such a conference is bound to produce much debate about the U. N.'s most controversial instrument—the big-power veto. In the past 10 years the Soviet Union has used the veto 57 times to stop the U. N. in its tracks. France has used it once. No vetoes have ever been cast by the U. S., Britain or China.

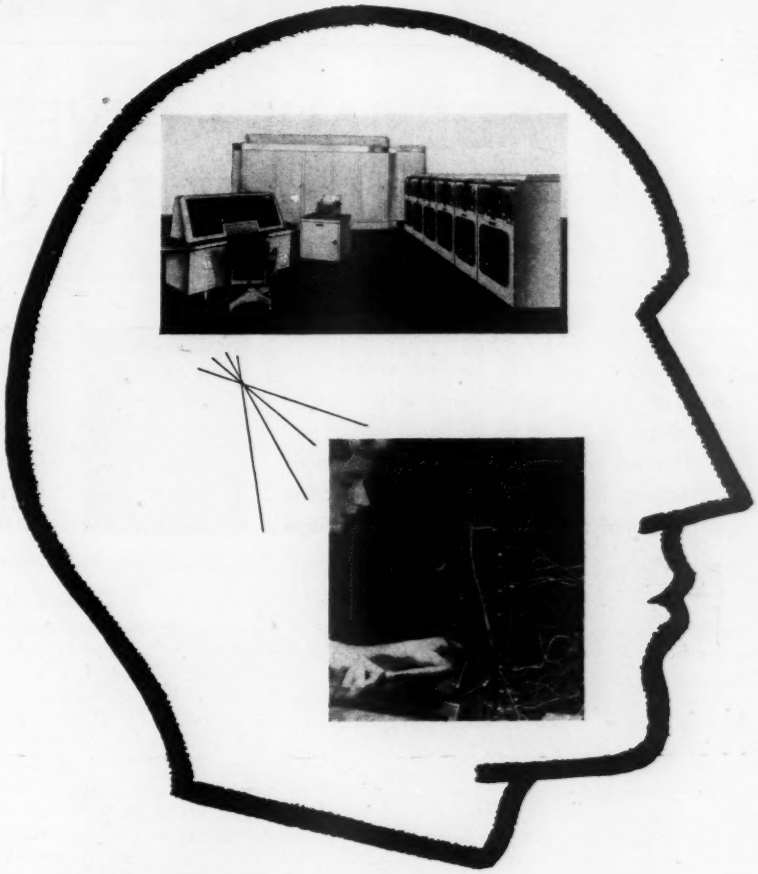
There is no sign at this time, however, of pressure to eliminate the veto entirely. There is ample reason why. Without the power of veto, for example, the U. S. could conceivably lose control over the use of U. S. armed forces through a decision made by the United Nations.

U. S. experts on the U. N., thus, expect no revolutionary reforms to come out of a conference on revising the Charter. At best they hope that the Communists might agree to eliminate the use of the veto on memberships and on settling disputes by pacific means. At the least they expect the conference to produce a battle of propaganda that has become standard operating procedure during the past 10 years.

U. N., in short, is not likely to be much different in the years ahead. As a top official of the world organization phrased it:

"It seems that we now have about as much United Nations as today's world is prepared to accept."

For comments of West Germany's Chancellor Konrad Adenauer on power alliances in Europe and Moscow's bid for a visit from him, see page 62.



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ADENAUER GIVES SOME ADVICE TO U.S.

West Germany's Chancellor Konrad Adenauer sees the period ahead as one of long negotiations with Soviet Russia.

The results, he predicts, may be of "decisive importance." And he warns of some of the pitfalls that the United States must avoid in taking part in these negotiations.

Be patient, Mr. Adenauer advises, and don't be lured into neutralizing Germany. Pacification in Europe, he says, could bring increased danger in the Orient.

Following are excerpts from the transcript of a press conference held in Washington, D.C., by Chancellor Konrad Adenauer on June 14, 1955:

Mr. Adenauer: When the invitation from Harvard University [to receive an honorary degree] was conveyed to me several months ago, no one could have imagined that my journey to your country would bring me here at such an extraordinarily important moment. None of us would have dared to predict at that time that the international situation, which had been frozen for so long, would become fluid in a surprisingly rapid succession of events following the ratification of the Paris Treaties. As you know, indeed, it has always been my opinion that only the conclusion of these treaties would provide the preliminary conditions which would make possible negotiations with the East.

In recent weeks it has been said that we Germans might be prepared again to sacrifice our partnership with the Western nations and the obligations which we have just undertaken. In answer to this I can assure you most emphatically—Germany will honor her obligations.

Then, reference has also been made to the question of "neutrality" or "neutralization." Austria and Switzerland were mentioned as examples of this. Austria and Switzerland, in fact, are not examples at all, because of their geographical position and because they are smaller countries. Austria has 7 million inhabitants; Switzerland, about 5 million.

The Federal Republic of Germany at present has 50 million inhabitants and after reunification we shall have 68 million. As concerns her geographical position, Germany lies in the heart of Europe with boundaries unprotected by nature. Such a vacuum as this in the heart of Europe would represent a constant danger for everyone.

I believe that the advocates of this idea do not take into consideration that there are strong Communist parties in both France and Italy and that the Soviet Union seeks to undermine us in a way that frankly cannot be imagined. In my opinion, the neutrality or neutralization of Germany would in a relatively short time permit Soviet Russia to extend her power over all of Western Europe. I do not think that the United States would desire such a thing.

The free world—and especially the United States—is standing on the threshold of what may be a long period of negotiations, negotiations with an opponent for whom the factor of time does not exist. The representatives of Soviet Russia, moreover, do not have to take into account differences of opinion between themselves and public opinion in their countries.

I think that all the peoples of the free nations should keep this in mind, and especially those who influence public opinion in those countries. Public opinion among the free peoples ought to show great discipline. There should be no impatience. Nor should the people at home weaken the negotiating position of their representatives—and thereby strengthen their opponents—by being overcritical.

I feel that I must say this to you here today, because these negotiations which are about to begin may possibly be of decisive importance to the free world and also to the question of the reunification of Germany.

It seems to me that sometimes a somewhat artificial distinction is made between the Atlantic area and the area of the Pacific. In my opinion, it is important to recognize the fact that in the Atlantic and in the Pacific the adversary is the same. If we pacify this opponent in Europe and thus relieve him of certain burdens, we will give him the opportunity to employ his resources thus set free, and especially his military strength, somewhere in the Pacific. I believe it is important in this connection always to keep in mind that when you face a single adversary, there are no separate fronts. In this context, certainly, the law of communicating vessels is applicable.

* * *

Q: Are you going to Moscow? If so, when?

Mr. Adenauer: I am being asked this question again and again. And what I reply is—probably. But I also add that such a trip, if it shall serve any purpose, must be thoroughly prepared and this requires time.

Q: Would you explain your concept of a possible general European security system?

Mr. Adenauer: Such a security system can take various forms. But I believe that we have all the basic features of such a security system in the organization of the Western European Union. The members of the Western European Union are the United Kingdom, France, Italy, the three Benelux countries [Belgium, the Netherlands, Luxemburg], and the Federal Republic of Germany. We have, under the Western European Union, a limitation of armaments and also provisions for control to insure that these limitations—provisions about the limi-

(Continued on page 64)

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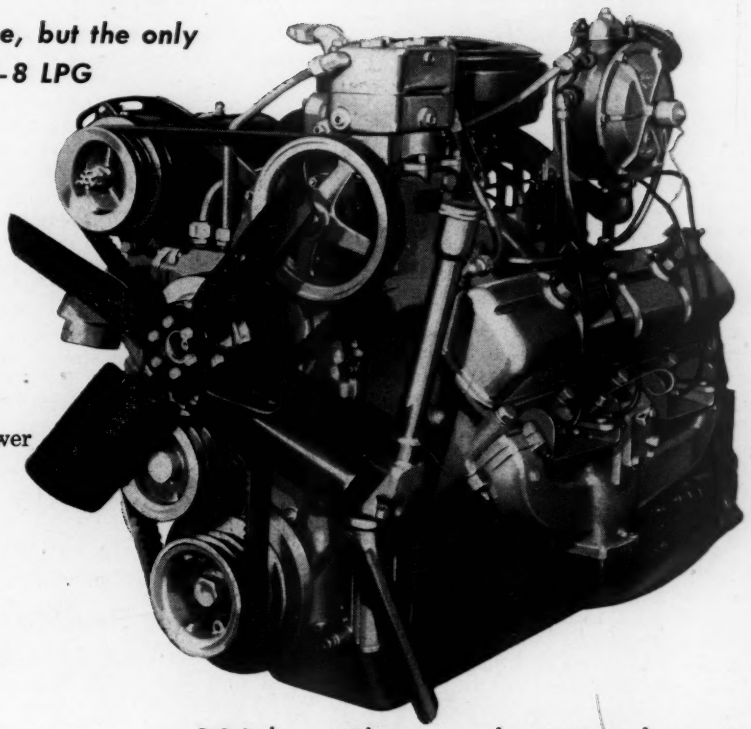

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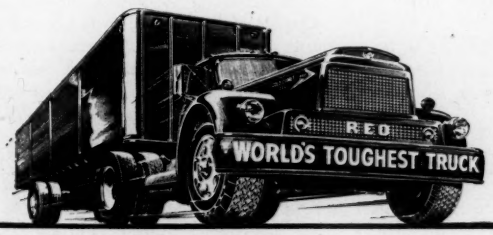

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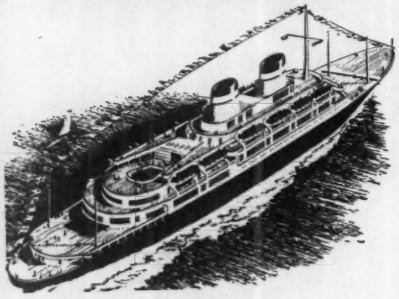

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"I believe it is wrong to say the United States is confronted with two fronts" . . .

tations—are also complied with. There is an obligation to render mutual assistance. I think this structure and this organization could be taken as a model for all security systems.

I should like to emphasize that in the treaty about the Western European Union, the limitation of armaments is the prerequisite for all other conditions, and therefore I believe that, under any security system, the limitation of armaments is the basic point.

° ° °

Q: How urgent is this threat of the Soviet Union transferring its threat to the Pacific?

Mr. Adenauer: . . . I think it is quite clear that the Soviet Union has at its disposal only a certain amount of force and strength, and the more or the greater the amount is of the part it uses in the Atlantic area, the less is the part it can use in the Pacific area or make available to states in the Pacific area with which it is allied, and vice versa.

I have intentionally mentioned and touched upon this question here because I believe that this question is sometimes not seen in its proper perspective here in the United States. I believe it is wrong to say the United States is confronted with two fronts. I think there is only one front for the United States, and one part of this front is in the Atlantic area and the other part in the Pacific area. If there is only one enemy, there is only one front. And if you give the enemy the opportunity to withdraw part of its strength from the one part, you will have to expect him to use this part to increase his strength on the other part.

What Price Reunion?

Q: Is the West German Government prepared to accept either disarmament or any form of nonparticipation in the North Atlantic Treaty Organization as the price of reunification?

Mr. Adenauer: If there were a choice for the Federal Republic of Germany between reunification on the one hand and NATO on the other hand, and we chose in favor of reunification, then I may say within a very short time Germany would become a satellite state. And that is not what we want. Nor do the Germans of the Soviet zone of Germany want this.

What we want is a free, reunited Germany. I believe that the atmosphere for favorable and successful negotiations has never before been as good as it is today, because, after all, the West is now united, and the Soviet Union is confronted with considerable internal difficulties. Therefore, one should not give the Russians an opportunity to think of such a choice for the West.

We should make it quite clear that such a bargain is absolutely impossible, both for us—for the Germans—and for Europe. It is impossible for the Germans in the Federal Republic and for the Germans in the Eastern zone of Germany. We should also make it quite clear to the Russians that, if they want peace with the world, it is in their own interest, on the basis of the obligations they have undertaken as an occupying power, and in conformity with the wish of 90 per cent of the Germans in the Eastern zone, to release freely the Eastern zone of Germany.

Q: Mr. Chancellor, if there is little or no unemployment in West Germany, how does the Government propose to replace the men taken from industry for the armed services? Will the Government consider bringing in foreign labor —Italians, for instance?

Mr. Adenauer: Right now we require foreign labor in agriculture. But, according to what I was told by the Minister for Economic Affairs and by many businessmen, it will be possible, through the better organization of the economy, to replace such labor and such men as will be drafted for military service. Then I would also like to say that, after the discharge of the soldiers from military service, it will be possible for them, owing to the technical training they have received as soldiers, to make quicker and better progress in their individual branches.

Q: Will the Federal Republic use arms to regain German unity?

Mr. Adenauer: We emphasize again and again that what we want is reunification of Germany in peace and in freedom, and that we are not going to do anything by the use of force and violence.

Disarmament Aims

Q: Mr. Chancellor, you have said the main objective of the meeting at the summit should be to bring about controlled disarmament. How do you define controlled disarmament? Why do you think the time auspicious?

Mr. Adenauer: I do not know whether this question was formulated quite correctly, because I do not think I said that this conference on the summit

. . . "Danger of German militarism has disappeared"

would bring about or would achieve disarmament. I think the conference is too short and the problems are too intricate to bring about such a result in such a short time. But I think it would be desirable if the President of the United States—and in this connection I should like to remind you, ladies and gentlemen, that you must never forget that the United States of America is the most powerful country of the world, and that power means also responsibility, because power and responsibility go hand in hand. I said it would be desirable in my opinion if the President of the United States and the representative of the Soviet Union would declare their determined will, their determination, to realize, to transform into reality, controlled disarmament, and not only to talk about it in negotiations and in committees.

Problems for Russia

Q: You talk about the opportunity of Russia's employing resources in the Pacific. Do you think that the Soviet peace offensive in Europe is a mask for possible action in the Pacific?

Mr. Adenauer: I do not think that the position which Russia has recently taken vis-à-vis a number of countries can be regarded as a mask for possible action in the Pacific, because I think the situation with which the Soviet Union is confronted is too critical. The Soviet Union has overburdened itself. And, in this connection, I would like to say that the agricultural crisis is of extreme seriousness. But still we must not forget that all the planes and the guns, the ammunition, which the Soviet Union is allowed to withdraw from the area, may be made available to its Asiatic allies, and this is a point which we must never lose sight of.

° ° °

Q: Do you think the danger of German militarism has completely disappeared?

Mr. Adenauer: I believe I can give a very clear reply to this question by saying this: Yes, I believe that the danger of German militarism has disappeared. It no longer exists. In the new Germany, the civilian authority will come before the military authority. And there will not be any repetition of what we had under National Socialism or of what we had before 1918, when the military were predominant over the civilians. We are living in a democratic state, and the civilian authority is at the top of the democratic state.

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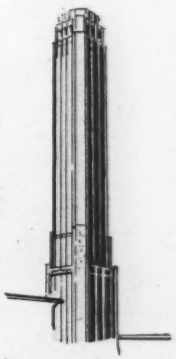

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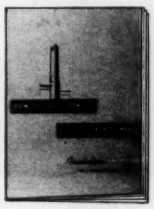

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. . . Presidential motorcade cuts through capital traffic

IT WAS 12:05 P.M. Eastern daylight time on Wednesday, June 15, when the sirens wailed in Washington.

President Eisenhower got up from his desk and reached for his hat. He noted the time on his wrist watch, walked outside the White House and got into a long black car. Secret Service and newsmen got into other cars. The group headed swiftly for the hills.

In the car, the President signed an emergency order under his powers as Commander in Chief. In three hours and 20 minutes, he was a little more than halfway to his destination. This was the time when—under the 68-page script written by Civil Defense—the A-bombs and H-bombs were supposed to strike Washington.

Mountain hideaway. Six hours and five minutes after leaving the White House, Mr. Eisenhower got to his emergency headquarters in the mountains. Cabinet and other key officials were hurrying by car and helicopter to join him.

From his quarters, Mr. Eisenhower made a report to the nation by radio and television. He said the test was to determine whether the Government could carry on in an emergency.

By this time, under the script, the attack would have been over for several hours. The nation would be a mass of tangled and wrecked facilities, its major cities and industries turned into atomized ruins. Millions would be dead—as many as 3,567,000 in New York alone—other millions injured.

Realistic confusion. Under the mass of reports that streamed into Mr. Eisenhower's emergency headquarters, the communications system jammed. Directors of the operation, making the test as realistic as possible, tried to sort out the flaws. They said transportation was good in the test. They did not say what would have happened if all 205,000 of the motor vehicles in the District of Columbia—and the millions of others in the rest of the big cities—had headed for the country at one time.

The President spent a part of three days at his tented headquarters, going over the reports, helping the Civil Defense men to iron out the rough spots in their operation. Meanwhile, congressional committees are considering a Civil Defense request for 12 million dollars with which to make more tests.

On Friday, Mr. Eisenhower went back to Washington. It had been a Wednesday when James Madison left the city to escape British invaders in 1814, and a Friday when he returned.

. . . Across town, the Pentagon's workers pour out, as top defense officials leave by helicopter . . .

. . . At their secret command post, it's business as usual for Mr. Eisenhower and his aides

PHOTO REPORT [*continued*]

WHEN IKE "FLED" WASHINGTON

Budget planners set up shop, far from the A-bombs—and the adding machines . . .

The Time Washington Really Was Attacked

In 1814, the British burned Washington

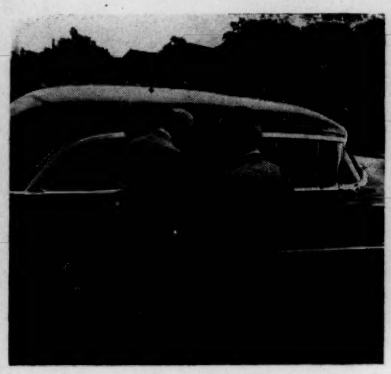
THE LAST TIME the American Government fled from the nation's capital was on a Wednesday, Aug. 24, 1814—a hot and cloudy day.

President James Madison and his Cabinet rode out with a motley throng of militiamen, regular soldiers, volunteers, sailors and generals across country to Bladensburg, Md., to meet the British. James Monroe, the Secretary of State, was one of the first to get there.

Private citizens hid their valuables, sent their furniture out of the city. Banks sent their gold to Winchester, Va. Government clerks moved public papers by the cartload across the Potomac.

When American troops broke into a scramble to get away from the advancing British, they swept the President and his staff along with them. At home in Washington, Dolly Madison hurriedly sent silver, valuables, pictures out of town. She was persuaded to seek safety in nearby Georgetown. The President crossed

. . . TV report to nation is followed by conferences, then another trip by automobile . . .



—Photos: USN&WR, Wide World

. . . As night falls, the President works on in his mountain retreat

the Potomac in a boat and slept that night in Virginia.

The British moved into Washington, set fire to the Capitol, the President's House—later to become the White House—and the Navy Yard. That night, a rainstorm put out the fires. The burning was resumed the next day.

Next afternoon, a second storm struck Washington, blowing down trees, tearing away roofs. It finally routed the British, also.

Mrs. Madison drove into Maryland looking for her husband, who had returned to that side of the Potomac. She was turned away from a tavern because fleeing Washingtonians, angered at the way the war was going, would not let her in. When the storm came up, they relented. The President spent this second night at a cabin in the woods.

On August 26, Mrs. Madison again went hunting her husband. But he was off near Montgomery Courthouse—now Rockville, Md.,—trying to find the American Army. With word that the British were gone, Mrs. Madison was one of the first to get back into Washington.

—Bettman Archive

Dolly Madison's flight was the real thing

15 years of testing in atmosphere show

New ARMCO ALUMINIZED STEEL outlasts Commercial Galvanized 3 to 1

Combines corrosion-resisting properties of aluminum with strength of steel

A new Armco aluminum-coated steel that resists atmospheric corrosion at least three times as long as the coating on commercial galvanized steel sheets is now available for use in your products. Called Armco ALUMINIZED STEEL® (Type 2), it has all the surface advantages of aluminum plus the strength of steel.

Besides strength and corrosion resistance, this new steel gives your products these benefits:

1. It reflects 80% of the radiant heat thrown against it.

2. It resists fire damage. At 800 F, for example, it has more than ten times the strength of aluminum.

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4. It generally costs less per square foot than aluminum, even when thickness is equal. And because ALUMINIZED STEEL permits lighter gages for comparable strength, it may save you as much as 40% to 50%.

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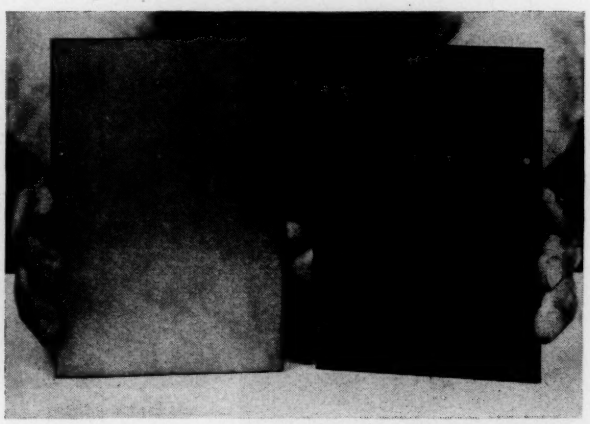
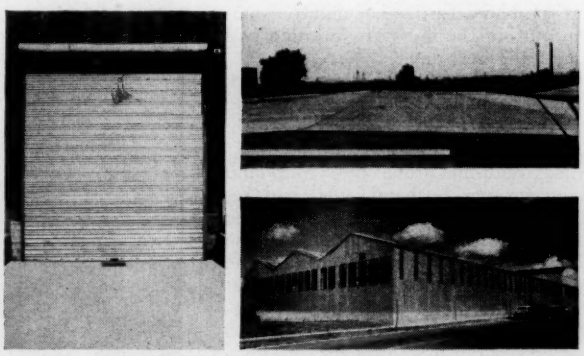


In atmosphere corrosive enough to cause a standard galvanized coating (right) to fail completely in 12 years, Armco ALUMINIZED STEEL (Type 2) looked like this (left) after 15 years. Cleaned samples show the aluminum coating is still giving full protection to the base metal.



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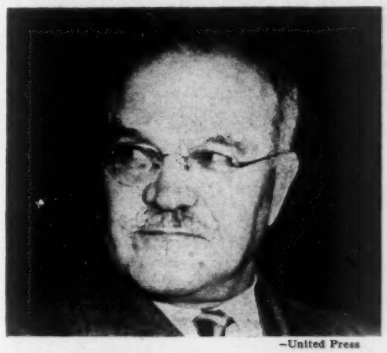
THE MAN ..Molotov **THE NEWS** ..Double Cross Again?

Old Master Brushes Up Soviet "Friendly" Line

Back in action—Vyacheslav M. Molotov. A man whose word has proved worthless, the world's greatest double-crosser, speaks for Russia in the new United Nations session.



—United Press

SAN FRANCISCO

VYACHESLAV M. MOLOTOV, master of the art of double cross, is trying his hand here again.

In 25 years of intrigue, Molotov has double-crossed all the statesmen with whom he has dealt. He double-crossed Great Britain in August of 1939. That act signaled the start of World War II.

It also led to a chain of double crosses involving other countries. Finally, Adolf Hitler, who should have recognized a double cross when he saw one, found himself one of Molotov's victims.

Now, Molotov has come to San Francisco for the tenth anniversary meeting of the United Nations. He is to confer with Foreign Ministers of the other Big Four nations to try to lay the basis for new deals involving the future of the world. His approach has become one of honeyed words. He tries to give the impression of an elderly gentleman who has mellowed, grown benignant. Western statesmen, however, cannot forget his record.

Broken promises. Molotov's double crosses in 1939 led to the biggest war in history. Since then, he has perfected his art. He has been at the center of the intrigues that have handed a fourth of the earth's surface to the Communists. There have been many deals, but the double cross has remained his most useful weapon.

Molotov keeps a promise, apparently, only when necessary to do so to get further concessions. That is the way he acted at Yalta, at Potsdam and at other conferences. He has, in fact, guided Russian international intrigues since 1930.

In that year, he climbed over the bodies of his old comrades and came to the top of a bloody ladder to stand with Joseph Stalin at the controls of the Communist Party in Russia. He became Stalin's Premier. They ran Russian policy together in the years that followed.

In 1930, it suited Russia's purposes to present a peaceful face to the world, to soothe the capitalist countries while the Soviet Union consolidated its strength. Military alliances and nonaggression pacts, backed by glib promises, were negotiated with France, Czechoslovakia, Poland, Rumania, Latvia, Lithuania, Estonia and Finland.

Russia and the U. S. In the same period, Russia won formal recognition from the U. S. Government. Molotov and Stalin made many promises. There would be no interference with America's domestic affairs. Propaganda and Communist organizational activities would end. There would be a debt settlement. The promises all were ignored.

These double crosses were comparatively mild. Like the treaties that had been sprinkled about Europe, however, they proved signboards to the historic double crosses of 1939 and 1940.

Through the spring and summer of 1939, Molotov was dealing secretly both with Germany and with a Great Britain grown apprehensive at Nazi military strength. England wanted a nonaggression pact to contain Hitler. Molotov sought the best price he could get.

Finally, with British and French mis-

(Continued on page 72)

—International

1940: MOLOTOV ARRIVES IN BERLIN FOR TALKS WITH ADOLF HITLER
The Nazi leader was one of many to learn, the hard way, about Mr. Molotov

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Molotov: ". . . ability and cold-blooded ruthlessness"

sions in Moscow ready to sign an agreement, Molotov signed a nonaggression pact with Germany instead. Germany attacked Poland. Russia also moved in despite a nonaggression treaty with that country. Latvia and Rumania, with whom Russia also had nonaggression treaties, saw the Russians grab off chunks of their territory.

Then the double cross of Germany began. The Russians took over a part of Lithuania that had been reserved for Germany. Russia also began demanding parts of Finland, the Dardanelles, Iran and North Sakhalin, far over on the Japanese end of the Axis.

By late in 1939, Molotov had another double cross going. He ignored a nonaggression treaty with Finland. The Red Army rolled in. By March, Finland was defeated. Another double cross had paid off.

Double-crossing Germany. Hitler was busy in April of that year subduing Norway and Denmark. In May the Nazi armies headed through the Low Countries into France. This gave Molotov an opportunity.

The Russians tore up nonaggression treaties with Estonia and Latvia and gave them an ultimatum. The Red Army marched into Lithuania. These Baltic nations were part of Germany's supply line. In taking them over, Molotov again betrayed Germany and also double-crossed the three small nations.

Hitler began giving up hope of getting along with Molotov. German-Russian relations went to pieces. There were disagreements over which nation should take what territory in the Balkans. Hitler began moving into the Balkans.

Molotov buckled, abjectly asked the German Ambassador what had caused the frayed relations. On June 22, German troops moved into Russia.

Molotov had double-crossed Hitler, so Hitler double-crossed Molotov.

Molotov was desperate for allies. Britain was in a bad way and let it be known she was ready to help any enemy of the Germans. A few months later came Pearl Harbor. The U. S. was in the war with its vast resources and, like Britain, was ready to aid the Russians. Molotov was back in business again.

Throughout this period, Molotov was worried, eager, and easy to get along with. Promise after promise was made. Russia soon was receiving Lend-Lease and was valued as an ally against a common enemy.

New contract. Even before Pearl Harbor, Molotov had gotten a U. S. promise of Lend-Lease goods. In the spring of 1942, he showed up at the White House, carrying a roll of sausage and a revolver in his bag. There were new talks with President Roosevelt, and a new Lend-Lease treaty.

As the war drew on, Molotov proved himself a ready man with a promise. Lend-Lease loans would be repaid. Democratic governments would be set up in Poland and elsewhere and help build peace for the future. Through the period up to and including Yalta and Potsdam, Molotov and Stalin went away from international conferences with valuable packages: goods, reparations, territory, power. They left promises behind them.

Less than two months after the war had ended, the old double cross came into play again. The U. S. tried to collect on some of Molotov's promises. The Russian grew vague, began to filibuster.

At meeting after meeting he played for time, trying with some success to wear out Western statesmen so that they would settle for what he wanted.

Blandly, the promise-breaking Mr. Molotov lectured Britain and the U.S. for inconsistency. Then, his demeanor unruffled, he turned about and did exactly what he had criticized them for. All this was part of the business of backing out of the promises he had made. He has lived up to his agreements only when it has been to his advantage to do so.

One man's view of Molotov. Winston Churchill watched Molotov in action at some of these conferences. Then he wrote this appraisal of him:

"Vyacheslav Molotov is a man of outstanding ability and cold-blooded ruthlessness . . . He has lived and thrived in a society where ever-varying intrigue was accompanied by the constant menace of personal liquidation. His cannon-ball head, black mustache and comprehending eyes, his slab face, his verbal adroitness and imperturbable demeanor were appropriate manifestations of his qualities and skill. He is above all men fitted to be the agent and instrument of the policy of an incalculable machine . . . I have never seen a human being who more perfectly represented the modern conception of a robot."

Such is the man who is to speak for Russia here in San Francisco. He comes with a new manner of friendliness. Just now, it suits his purposes to be friendly. For the first time he even consents to answer reporters' questions on a television show.

Now is the time for talking. The double cross can come later, as it has so often since 1930. The world's greatest practitioner of the double cross is to be in action again.

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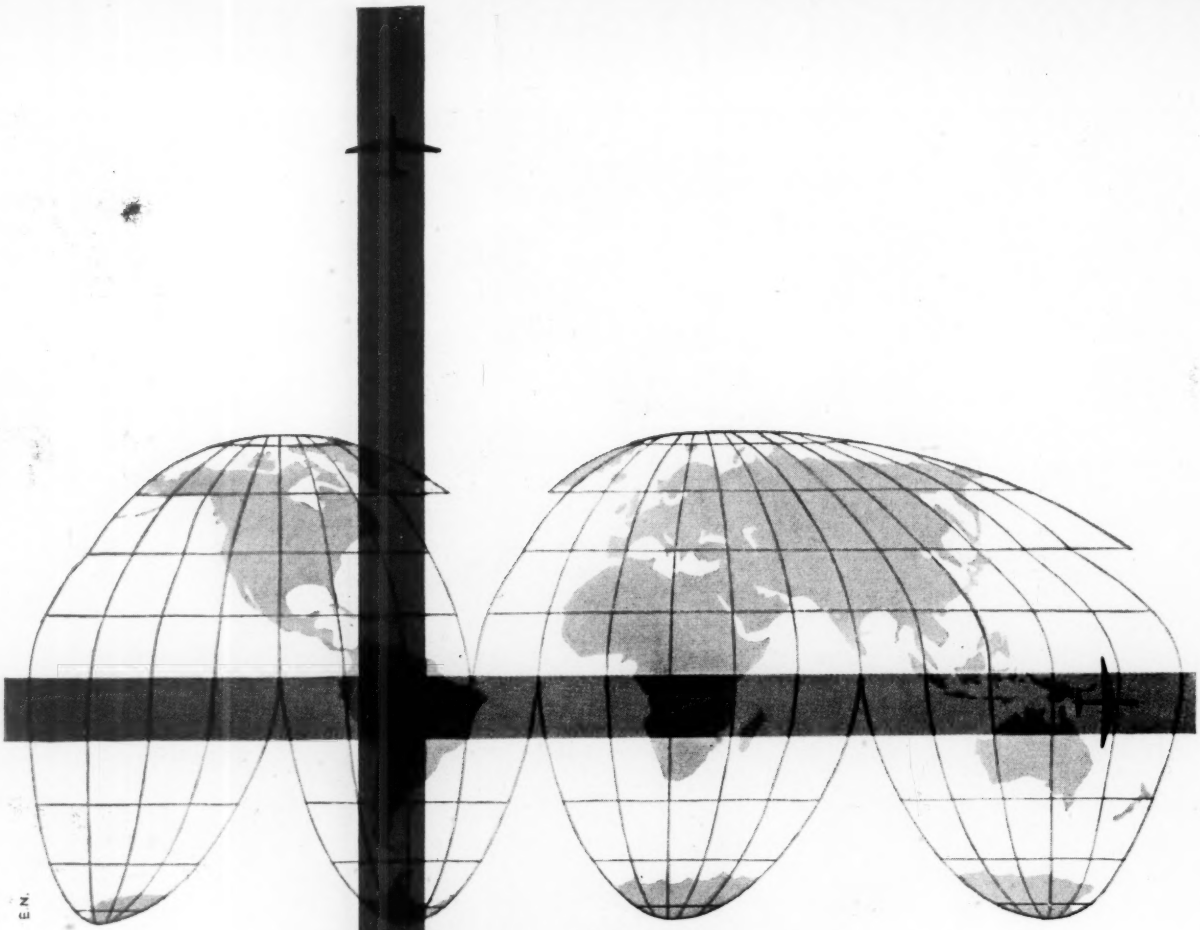

E.N.

getting [illegible] *power*.... off the ground

Important in the development of globe-girdling atomic aircraft is the *portable nuclear reactor* built and operated by the Convair Division of General Dynamics for the United States Air Force. Shown, at left, suspended in mid-air for radiation tests, this high-flying reactor is another dramatic example of Dynamics' leadership in the *nucleodynamic* age.

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Worldgram®

FROM THE CAPITALS OF THE WORLD

BONN....WASHINGTON....PARIS....LONDON....

>> Moscow's good-will experts are really pouring it on.

Vyacheslav Molotov, Soviet Foreign Minister, on this trip to America is permitting himself to smile. Not only that but, after a quick trip to a U.S. art museum, he pointedly said he likes American paintings best of all.

Soviet representatives in U.S., after years of cold-shouldering the U.S. press, are answering their phones, for a change, and oozing cordiality.

In Moscow, an American athlete has broken a weight-lifting record, won over a Soviet strong man, and received cheers of Moscow's people and press.

Nothing like this has happened for a long time.

>> And you notice developments like these:

Japan is suddenly getting the good-will treatment. Jacob Malik, one of Moscow's stonier-faced ambassadors, is overflowing with geniality in his talks with the Japanese. West Germany is being flattered, too, by Moscow's invitation to Chancellor Adenauer and a new policy of cordiality to German newsmen.

Only yesterday, Japan and West Germany were denounced as U.S. satellites.

>> Then there's that new look on the face of V. K. Krishna Menon, the Indian diplomat who in the past found little good in the U.S., little bad in Communist China. On his current visit to America, Krishna Menon has only good things to say of U.S., says he's sure America will do the right thing in Asia.

>> In measuring this heavy downpour of good will, keep this in mind:

Good will, Soviet style, can be turned on or off at any time. For the moment, the good-will tap is on full. It may be turned off during or just after the Big Four conference in Geneva next month. It's good will by plan, a matter of calculated Kremlin policy. There's nothing spontaneous about it.

Moscow's target, in this good-will campaign, is the man in the street, not governments, not diplomats. Idea seems to be that if the general public in the U.S., in Europe, in Asia, can be convinced Moscow and Peiping really want peace, really want to be friends, then public opinion will force governments and diplomats in the West to come to terms with Moscow and Peiping.

Gestures, Moscow figures, may wring concessions from the West.

There was the spectacular visit with Marshal Tito, the quick agreement on a Big Four meeting, the well-timed invitation to Adenauer to talk things over, and now this campaign of sweetness and light for the West, including the U.S.

Only Soviet concession so far, though, has been the Austrian Treaty. In that case Moscow is giving up real estate it probably hoped to keep.

No real concessions are involved in the new good-will campaign. It's

(over)

another Moscow gesture, interesting to watch, not to be taken at face value.

>> Biggest new fact in Europe is the U.S.-West German partnership.

Enemies in two world wars, never allies, now the two governments are not only on the same side but have mapped out a close working partnership.

As a result of Adenauer's trip to Washington.....

No deals with Russia are to be made by Adenauer unless Washington agrees.

Adenauer's trip to Moscow will come after, not before, Big Four meeting.

Soviet concessions are expected by Adenauer in advance of his trip.

Neutralized Germany, asked by Russia, is flatly ruled out.

On all these matters, Washington and Bonn see eye to eye.

>> It was noticeable that Adenauer, after receiving Moscow's invitation to visit the Kremlin, decided to go to Moscow via Washington.

It was also noted in European capitals that the language of the formal statements growing out of Adenauer's Washington visit was unusually cordial.

Adenauer wants world to know that West Germany is on U.S. side to stay.

>> To understand the full importance of this U.S.-German partnership.....

Germany is once more moving into a key role in Europe, very soon will be the most powerful nation in Europe, outside of Russia. German power, on U.S. side, is notice to Moscow to forget any plans for aggression it may have.

But this is also true: France's role, as Germany comes back, will become less important. U.S.-French partnership is heading for stormy weather.

The French, fearing Germany, will resent U.S.-German ties, will look with more and more favor on some sort of French-Soviet deal.

French weaknesses, at the same time, are to cause increasing trouble for the U.S. North African disorders, growing, will jeopardize U.S. bases, divert French strength from Europe. Indo-China mess won't help matters any.

When you add to these causes of friction the political instability inside France, you can see why the U.S.-French partnership is heading for trouble.

U.S., in Europe, is putting its chips on West Germany, not on France.

>> In Bonn, opposition to Adenauer's rearmament program can be discounted.

Votes will be on Adenauer's side, when the time comes.

Speed of rearming may not be as fast as Adenauer wants, but nobody in Bonn expects legislative delays to be long, or a serious handicap.

Adenauer had hoped to rush legislation through Parliament, authorizing a start on the new Army, before the Big Four meeting in Geneva. He'll probably get the legislation he wants in September, if not in July.

>> In London, the way things are going inside the British Labor Party, it's to be a long time before it will be ready for another election.

Pre-election split helped Labor lose the recent election.

Postelection split looks even worse. The party leaders are engaged in as bitter and soul-searching a ferment as London observers can recall.

Clement Attlee, though renamed leader, has lost right-wing support, may not hold power very long. Aneurin Bevan, on the left, is stalling for time.

In effect, Laborites are leaderless. They're also groping for an issue to win with, and wondering if a guaranteed annual wage, as in U.S., may be it.

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TWO REPUBLICANS DEBATE BIG 4 TALKS

McCarthy Attacks, Knowland Defends Eisenhower Policy—

Will the coming Big Four meeting be a new sellout to Russia?

Has Eisenhower, in agreeing to the talks, let this country in for another Yalta?

These and related questions were aired in a Senate debate last week.

Senator William F. Knowland, Republican Leader, who has criticized the President's foreign policy in the past, came to his defense this time, asserting the President could be counted on to protect U. S. interests.

This was in reply to Senator Joseph R. McCarthy, who declared the Big Four meeting would be a "tragic blunder" for this country.

Following are excerpts from the transcript in the "Congressional Record" of the debate in the Senate on June 16, 1955, between Senators McCarthy and Knowland:

Senator McCarthy (Rep.), of Wisconsin: . . . Far better that our diplomats stay at home and make the Communists prove by deeds that their intentions have changed. By meeting them at the summit, we simply present the Communists with a sounding board off which their false peace propaganda can reverberate throughout the world.

Let me now briefly summarize the reasons the Big Four meeting is bound to benefit the Communists. No. 1, we are going to negotiate about areas the free world now controls, we are going to talk about what we may give away, instead of what we may get. No. 2, even should we get reciprocal concessions from the Soviets—a quid pro quo—we know they will not keep their half of the bargain. No. 3, even if there are no concessions, we will suffer a crushing propaganda defeat by appearing to be uncooperative—by refusing to act upon our own advice to the world that Communist objectives may have changed.

This is why I say the President has agreed to play with a stacked deck. This is why the decision to meet the Communist leaders at the summit is a tragic blunder. Like Teheran, like Yalta, like Potsdam, it will be a thumping Communist victory.

Now what to do? I hesitate to criticize the administration without offering a constructive alternative—which, to meet the immediate needs of the moment, is this: Announce to the Kremlin leaders that we have decided to be more specific about the Geneva agenda. Advise them that we are prepared to talk about the liberation of the countries now held captive by Communists—and nothing else. Advise them that there will be no discussion of neutrality for Germany, no discussion about a cease-fire in the Formosa Straits, no discussion about paring down the nuclear arms superiority the free world now enjoys.

Such an announcement will call the Communists' bluff—and would, of course, torpedo the Big Four conference. But the free world's chances of ultimate victory would be inestimably advanced. The neutralists will be grossly offended, but this would be more than offset by the new heart we would give the captive peoples, and to those hard anti-Communists who are still unchained, but who are wearying of further resistance. Most important of all, we would demonstrate that at least we have learned how not to fight communism, and this is the first step forward.

We cannot coexist with communism. Coexistence with communism is as plausible as the theory that cancer and healthy tissue can subsist side by side in the human body.

We cannot meet Communists halfway. They do business only on their side of the street.

We cannot satisfy Communists by serving up just one more morsel. Their appetite grows with eating.

These truths about communism are as valid when the Russian Bear is simulating slumber as when he is baring his fangs. Today the world has been lulled into a false sense of security by Communist peace overtures. It follows—not that the world situation has improved, but that it is more dangerous than ever before. When we turn a receptive ear to these illusory offers, it is a sure sign that the peril has deepened.

In 1898 Rudyard Kipling wrote a stanza that might well be framed over the desk of every State Department officer—and, indeed, in the White House itself—

When he shows as seeking quarter,
With paws like hands in prayer,
That is the time of peril—
The time of the truce of the Bear.

* * *

Senator Knowland (Rep.), of California: I would not want this opportunity to pass and, by acquiescence at least, appear to give the impression that I subscribe to his point of view that the only negotiations which are to be conducted at the Geneva Conference will concern not what we get but what we give away. I will say to the distinguished Senator from Wisconsin that I have seen no indication on the part of either the President or the Secretary of State that that is their position. I have seen no indication on the part of the Government of the United States that we would agree to or would support the neutralization of Germany. To the contrary—

Senator McCarthy: May I interrupt the Senator at that point?

Senator Knowland: I should like to finish my statement first. To the contrary, the recent visit of Chancellor Adenauer—and I have the same high regard for the Chancellor the

. . . McCarthy: "We entertained hopes before, to our sorrow"

Senator from Wisconsin and other Senators have—was to make very clear to the entire world, both the free world and the Communist world, that the neutralization of Germany was not to be bargained for at the Geneva meeting.

I do not believe we are bankrupt in our negotiating power. On the contrary I believe we have an opportunity to cause some grave concern to the Soviet world.

The Senator from Wisconsin has quite properly set forth that in the past three decades the Soviet Union has violated every agreement it has entered into, with the exception, perhaps, of 1 or 2 agreements, which were to their interest to uphold. However, I submit to the Senator from Wisconsin that the Secretary of State, with his broad background and experience, and the President of the United States are fully alive to the fact that the Soviet Union has violated those agreements. It could well be that the Soviet Government might find itself in a most difficult position if the free world took the position that the Communists should first live up to agreements which called for completely free elections in Poland, and perhaps that initiative could be taken by the free world at the Geneva meeting.

It might also be pointed out to the representatives of the Soviet Union that if there is to be a real relieving of the tensions of the world the abolition of the Cominform is essential, not in the way they abolished the Comintern and then used the Cominform to accomplish the same purposes, but by renouncing the doctrine of world revolution, because, so long as they treat that doctrine as the gospel and so long as the representatives of their Government maintain it, there are likely to be tensions throughout the world.

Perhaps the good faith of the Soviet Union should be fully explored by ascertaining whether the leaders of the Soviet Government are prepared for such a renunciation.

I think there are many things the representatives of the United States and the other free world representatives might do at the Geneva meeting. I do not say to the Senator that I would not be just as much concerned as he is if the outcome of the Geneva meeting should be another Yalta, another Teheran, or another Potsdam, but I am not willing to take the defeatist position that that would necessarily be the case. I think the representatives of our Government are fully alive to the grave consequences which accrued from those other meetings.

I am sure the President of the United States, the Secretary of State, and their advisers are going to do everything possible to protect the vital interests of this country and of the free world, and I hope the precautionary note which the Senator has sounded does not indicate that he feels it to be inevitable that the same kind of result will follow the Geneva Conference as the other conferences produced.

Senator McCarthy: I think the Senator and I are not too far apart in our thinking when he points out that past agreements with Russia have served the purposes of the Russians. This much we can agree on. But I think the Senator is indulging vain hopes when he suggests that now there might be some way of persuading the Communists to renounce their objective of world conquest. We entertained such hopes before, to our sorrow. The Communists said, in 1933, that there would be no more activities in the United States in connection with international communism. The concessions we made in the Litvinov agreements indicate we believed them. In 1935 Communist leaders in the United States gave a report on the progress they were making toward bringing about revolution in this country.

I had thought the Senator agreed with me that, as of today, the lesson of the Communist bible is, "We will conquer the world by whatever means may be possible."

Keep in mind that the Communists said in 1930, "We will make overtures; we will persuade the capitalist countries we want to be friends, and they will go along with us and cooperate in their own destruction." That picture

SENATOR McCARTHY: "We will suffer a crushing propaganda defeat"

—USN&WR Photos

SENATOR KNOWLAND: "We might have an opportunity to gain a great moral victory"

. . . Knowland: "We might find stout allies behind Iron Curtain"

is accurate. The Communists are acting as anticipated. There is nothing to indicate that the Communists have changed their minds regarding world conquest. And we are acting as anticipated. I ask the Senator to keep in mind that the Geneva meeting will not deal with freeing Poland or any of the other nations that are now under Communist control. The negotiations will deal with areas under the control of the free world.

Questions About Captive State

Senator Knowland: I think the Senator is assuming something that is not in evidence. To the contrary, the Secretary of State made it clear sometime ago that he expected to raise the issue of the so-called satellite captive states of Eastern Europe. I have no reason to believe that that issue will not be raised, and very directly raised.

I will say to the Senator that throughout Europe and, to a considerable extent, in this country, and perhaps throughout the world, both among the free nations and neutral nations and some of the Communist nations as well, there has been a hope that some honorable basis for peace might be found. Certainly, I think none of us is so naive as not to recognize the fact that there are certainly obstacles in the way of finding a solution. But the President of the United States, with a great desire for, not peace at any price, but peace with honor, felt it was desirable finally to sit down for a preliminary exploration, but not in the expectation that the problems would be solved at one sitting—which was the great fault of the Yalta, Teheran, and Potsdam conferences, where it was attempted in 4 or 5 days to settle all the problems then and there.

Since those conferences, as the distinguished Senator so well knows, there has come into being a vast new force in the world in the form of atomic energy. While offering tremendous possibilities for the peaceful development and improvement of mankind, atomic and hydrogen weapons also have great potentialities for destruction. This is known to the people of the United States and to the people of the free world, and I have no doubt it is also known to the people of the Communist world.

The one factor to which I think perhaps the Senator has not given sufficient attention—and I say it most respectfully—is that so far as the rulers of the Kremlin are concerned—and I think the Senator is quite correct when he says they have not changed their basic concept—after all, there are 200 million people within the Soviet Union itself. I have believed for a long time that in the event of aggression on the part of the Soviet Union we might find some of our stoutest allies behind the Iron Curtain as well as in front of it, not only in satellite states, but even in the Soviet Union itself, because the Russian people were, in fact, the first victims of the most Godless tyranny the world has ever known.

There have certainly been indications of a certain degree of restlessness in the Soviet Union. We know they are having some problems in agriculture. We know they are having some very serious problems in the production of consumer goods. Under the Malenkov temporary ascendancy in the Kremlin, they have shifted to consumer-goods production; but when Khrushchev rose to power, they went back, so to speak.

A dictatorship so tight as is the Russian dictatorship must pay some attention to the great mass of Russian people and other peoples who are incorporated into the Soviet Union. For this reason, we may be in a position, not as the Senator fears, of always giving and yielding, but we may be in a much stronger position to insist upon their living up to their past agreements and placing the responsibility directly on the clique in the Kremlin. If the conference breaks down, it will be because they have not been willing to give up their doctrine of world revolution, but insist on a world-revolution doctrine which by its very nature is bound to keep tensions alive in this atomic age.

I speak not in any manner as an official representing the Government of the United States, but merely as one Senator who has been concerned about what has happened in some of the past conferences, but who has great confidence in President Eisenhower and Secretary Dulles. I do not believe we should take the pessimistic viewpoint that nothing but defeat can come from the Geneva conference. I think it will afford great opportunities. I would be critical if another Yalta should develop, and I would not hesitate to express my viewpoint, but I believe that when this opportunity is presented we should not in advance concede defeat.

° ° °

Senator McCarthy: The Senator from California has never before been accused of being naive. He is a good, hard thinker, and I have great admiration for him. But when he suggests that by negotiation we might get the Communists to abandon their bible, which calls for world revolution, which is the heart and soul of Communism, or that President Eisenhower can persuade them to abandon their bible, he would certainly appear to be naive in the extreme. As a matter of fact, the Kremlin leaders have just announced—

Senator Knowland: I did not say they would abandon it. I said that issue could be presented very directly to them.

That is one of the great factors which are causing tensions in the world today. As long as that approach exists within the Soviet Union, the tensions will be most difficult to relieve. I think if that issue can be clearly drawn—I did not suggest that the Soviet would abandon it; I suggested that if they refused to abandon it, there would be an effect on the 200 million people in Russia, who are governed by a handful of Communists who alone possess that doctrine, rather than the Russian people—we might have an opportunity to gain a great moral victory; and there is no telling what the ultimate repercussions might be behind the Iron Curtain itself.

Reds "Will Not Give Up Goals"

Senator McCarthy: The Communists will not tell the world or, specifically, the captive peoples to whom the Senate refers, "We refuse to abandon our goal of world revolution." They will go on saying, even after Geneva, that peace is their aim. They will not admit that their traditional ambitions are unchanged, an admission the Senator apparently feels we can force them to make at Geneva.

I had thought the Senator from California would agree with me that there is not 1 chance in 10,000 that Dulles, Eisenhower, or anyone else can persuade the Kremlin to change the course Marxists have been following since 1948. It is a course that has been pursued right down the center for 107 years. It is the path to world revolution. The goal has been reaffirmed many times: By Lenin in 1917, by Stalin in 1947, and by Malenkov less than a year ago.

I am glad to note that the Senator is now hopeful about

(Continued on page 84)

Two ways of fighting fires...

With Sprinklers — This is how the furniture factory of Irving & Casson — A. H. Davenport Company, Cambridge, Mass., looked at the "height" of its fire. When a flash blaze occurred in the paint department last December, a Grinnell Automatic Sprinkler System, installed about 1900, went into action immediately, saving the firm from disaster.

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. . . McCarthy: "With these rules, we are bound to lose"

the situation. It is encouraging to know that someone is hopeful.

* * *

I wonder if the Senator from California will not now agree with me, by process of elimination, that the only areas that will be discussed will be those controlled by the free world. We shall be discussing only the areas we control—in other words, what we can give away to satiate the hunger of the Bear, and with these rules, we are bound to lose.

The Kremlin leaders will stay in the Conference only so long as they can discuss something the free world controls. That is exactly what they have said. That being their position, why does it not, as far as we are concerned, knock off the Conference instanter?

* * *

Senator Knowland: I do not believe the Government of the United States or the representatives of the other free nations have put themselves in the position or will put themselves in the position of allowing the Soviet Union to write the agenda as to what is going to be discussed.

As the President himself pointed out in his press conference, he does not visualize that the meeting at the summit will necessarily be a meeting which will solve all world problems. But it is believed that the conference will be of some value to the Government and the people of the United States, and to the government and the people of other countries in the world. There may be an honest difference of opinion about it, but at least there will be some value in discussing the situation with those who are presently in positions of responsibility in the Soviet Union.

When the Senator from Wisconsin says, as he indicated in his speech, that all the conference will discuss will be those issues in which we will give something, and will get nothing, I do not agree that necessarily follows. I certainly hope it will not follow, for it would be tragic if it should. I am not willing to write off either the capabilities, or the patriotism, or the devotion to duty of the President and the Secretary of State, and to assume that they are willy-nilly going to let the Soviet Union write its own ticket. Knowing both men, I am sure they are just as firm in their belief of the importance of maintaining a free world of free men, and of having peace with honor, as distinguished from peace at any price, which would lead to appeasement, as is the Senator from Wisconsin, or the senior Senator from California, or Senators on the other side of the aisle, or Senators on this side of the aisle. I think we Americans are alert to the danger. Senators are all knowledgeable persons. We all know what tragic consequences grew out of previous conferences. None of us wants a repetition of that type of situation.

"There Is an Opportunity"

I am not willing here and now, before the conference has even met, to say that nothing can come out of it but a Soviet victory. I say there is an opportunity, if the opportunity is followed, and if our allies will stand firm and not go into the conference in an appeasement frame of mind, to put the Communist world on the defensive, and to raise such issues that the 200 million persons in the Soviet Union may hold strictly accountable the men who temporarily rule in the Kremlin.

I do not disagree with what the Senator from Wisconsin has said about Soviet doctrine and policy in the past. We must keep that in mind. I do not disagree with the Senator from Wisconsin when he points out that the statements of Marx were repeated by Lenin, Stalin, Malenkov, Khrushchev, and by other persons who are temporarily in power in the Kremlin; but I do say the people of Russia itself have been the first victims of the most Godless tyranny the world has ever known.

For the first time in history, today we know that there is available the destructive power which can wipe every nation off the face of the earth. The choice can be put up to the negotiators of the Soviet Union that there will continue to be this tension in the world so long as their rulers follow the policy of world revolution, and of destroying countries outside the confines of Mother Russia; and if they were not prepared to give indications, which can be checked, to show they intend to abandon that policy, there can be no relief of that tension.

If such a conference should then fail, it may well be that there is a force, a section, or a group within the Soviet Union who could take additional action. I admit that is only a hope. I do not contend that the present rulers of the Kremlin may not be willing to agree, even in the face of the consequences, but I do say to the Senator there are many ways of inviting them to live up to an agreement to permit free and open elections, and to say to them, "What good is your agreement unless you live up to the past agreements which you have violated?" They can be put on the spot, and we do not necessarily have to concede a defeat, even before we begin.

"Russians Will Set the Agenda"

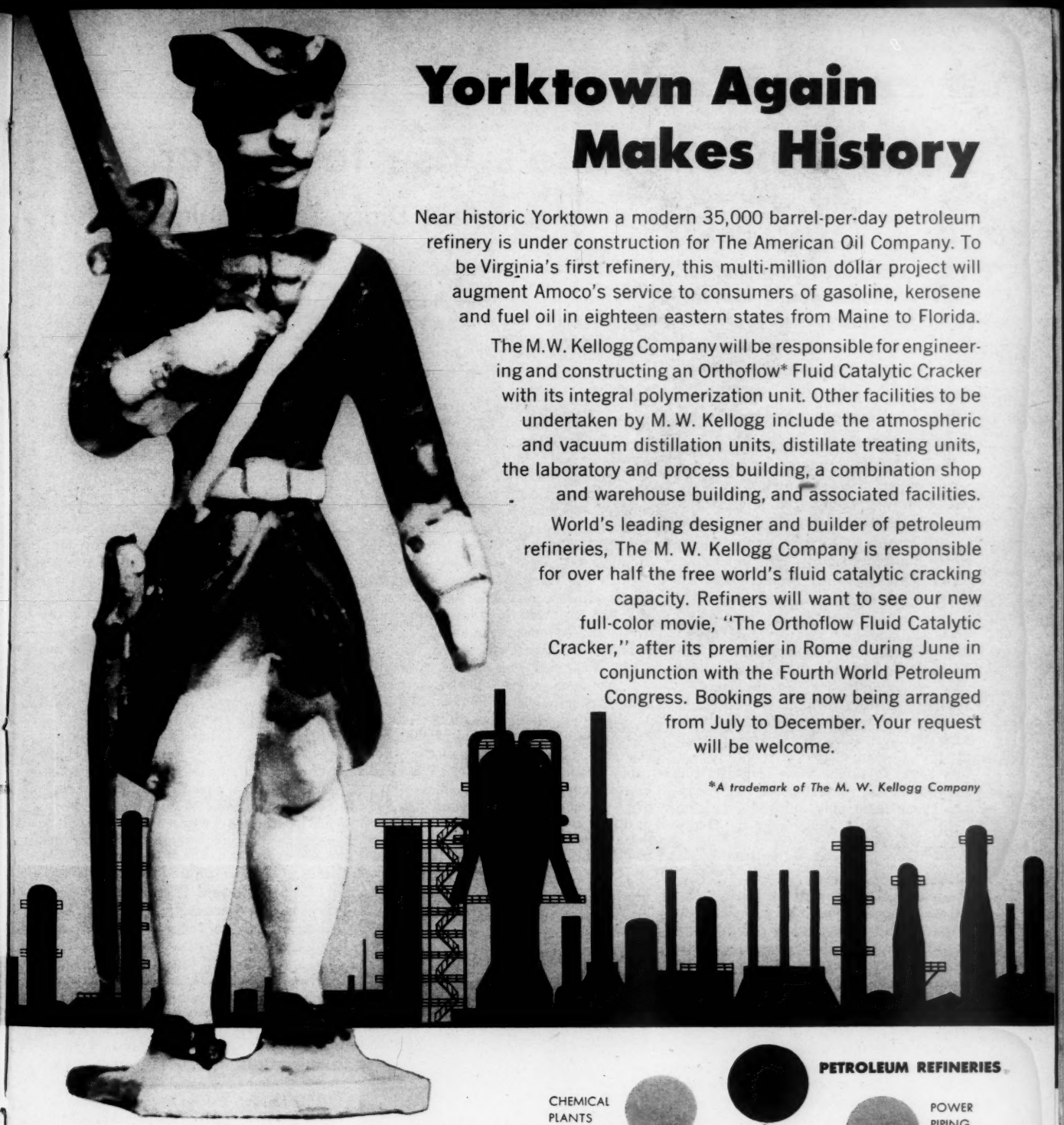
Senator McCarthy: Mr. President, when the Senator from California says the Russians cannot determine what the agenda will be, I believe he is in error. I believe that if he will consider the matter a little further, he will realize that his error is self-evident. If the Russians say they will not discuss any area they hold, they will simply refuse to discuss it, and then it will not be included in the agenda—just as if we were to refuse to discuss Formosa, it will then not be discussed, and will not be on the agenda.

So let us face this harsh fact: that no territory the Communists hold will be discussed at the meetings because they will not be willing to discuss it, and will not discuss it. Instead, by process of elimination, the discussion will be about territory we hold. And if there is a fallacy in my argument, which the recent Kremlin announcement does not let me believe is there—even, I say, if the Communists make some concessions, we must realize that their entire history shows that they keep no agreements they do not wish to keep. They will not keep an agreement if it serves their purpose to break it.

Therefore, why attend the conference? The Senator from California speaks about putting the Communists on the spot at the conference. Well why not put them on the spot now? Why not, as I suggested in my prepared remarks, announce that we insist on talking about the satellite countries? That would really put them on the spot. Let me press this a little further: you might say we made a gesture at putting the Soviets on the spot when Mr. Dulles said we would bring up the satellite countries. But the Communists promptly rejected the suggestion, and that put the free world on the spot. We backed down by agreeing to go to Geneva anyway.

Let me say I had thought all of this was very clear to the Senator from California, and that I am dumbfounded by the reversal of his stand, which was until today, as I understood it, in complete opposition to the Big Four meeting.

Although I confess I get very little satisfaction from it, I nevertheless point out to the Senator that after the conference is over, I believe he will not be happy about the speech he has made today.



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Harry Dexter White's Rise to Power

Morgenthau Diary Tells the Inside Story

A man accused of spying for the Soviet Union during wartime was a real power in U. S. affairs.

His Cabinet boss kept a diary, now being made public. It shows, step by step, how Harry Dexter White became a trusted dealer in defense secrets.

From the secret diary of a former Secretary of the Treasury, the U. S. public now is being told how Harry Dexter White, accused of being a master spy for Russia, managed to worm his way to a top spot in a powerful Government department in Washington during World War II.

Told, too, is the story of how White operated, and how he was able to influence, from his vantage point at the Treasury, every big U. S. decision on vital economic policies in the wartime and early postwar world.

Harry Dexter White died in 1948. That was just after the Federal Bureau of Investigation's spy charges against him came to public view. But the full story of White's activities at the Treasury Department only now is coming to light through the diary kept by Henry Morgenthau, Jr.

Mr. Morgenthau, in making his diary available to Congress, told a Senate committee that during the entire time he was in office he had no reason to suspect White's loyalty. Not until after he had resigned as Secretary of the Treasury, Mr. Morgenthau said, did he learn that any charge of disloyalty had been made against White.

Mr. Morgenthau was Secretary of the Treasury from 1934 to 1945. He was White's boss. In 11 eventful years, his diary shows, White moved from a lowly economist's position almost to the top of the Treasury Department.

White became a trusted adviser on U. S. taxes. He was consulted about price control. He was on the "inside" of everything, even knew about counterspy activities in Latin America. But his main attention always centered on U. S. dealings with allies and enemies abroad.

White participated in forming policies toward China that paved the way for that country's fall to Communists. He is believed, by some, to have originated the plan to turn Germany into a "pasture," which would have left Europe defenseless before Russia. He authored a plan for a new world currency, called "unitas" and backed by U. S. gold reserves.

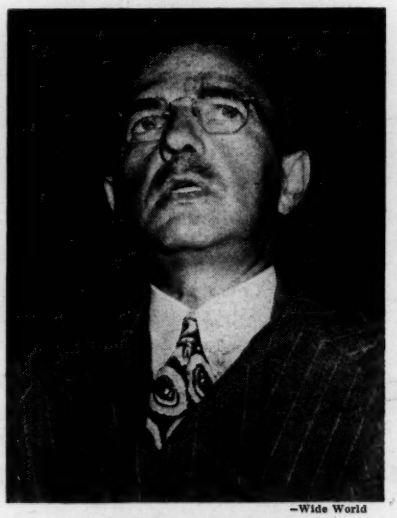
White's rise to power. Harry Dexter White was pushing hard, making himself known and getting into many fields from the very start of his employment at the Treasury Department, according to evidence of Mr. Morgenthau's diary.

First mention of White in the diary is the record of a telephone conversation between Secretary Morgenthau and a high State Department official, on April 23, 1935. White had been hired, in the summer of 1934, to study banking practices in the Cleveland area, along with 30 other economists. But by the spring of 1935 he was in the Netherlands, studying European currencies.

From the diary, it is evident that White was interfering in military matters and economic policies, to the annoyance of the regular U. S. diplomats. Mr. Morgenthau told State Department officials, in effect, to toss White out of the Netherlands if he continued to bother them.

Six years later, however, White was to take complete charge of the Treasury's foreign operations and be in a position of planning policies for the State Department.

The next important entry of the diary concerning White records his appointment to the "9:30 group" at the Treasury Department. This was the select gathering of top officials who met with Mr. Morgenthau each workday morning at 9:30 to plan the day's work. White, by then "Harry" to the Secretary of the Treasury, was made a full-fledged member of this inner circle on April 25, 1938.



—Wide World

HARRY DEXTER WHITE
. . . a finger in every pie

War-strength figures. By late in 1939, World War II had started. White immediately became a center for any and all information relating to the war as it flowed into the Treasury Department. At a meeting on Oct. 4, 1939, Mr. Morgenthau told White to take charge of an effort to assemble all available facts on world oil production and shipments —facts providing a vital guide to war strength of all combatant nations.

On Dec. 8, 1941, one day after the Pearl Harbor attack put the U. S. into war, the Morgenthau diary records another milestone in White's career. Here, according to the diary, is what Mr. Morgenthau said at a meeting of his top Treasury assistants:

"H.M., Jr.: What I wanted to tell you people is this . . . I want to give Harry White the status of an Assistant Secretary. I can't make him an Assistant Secretary. I want to give him the status just as though he were and he will be in charge of all foreign affairs for me. See?

° ° °

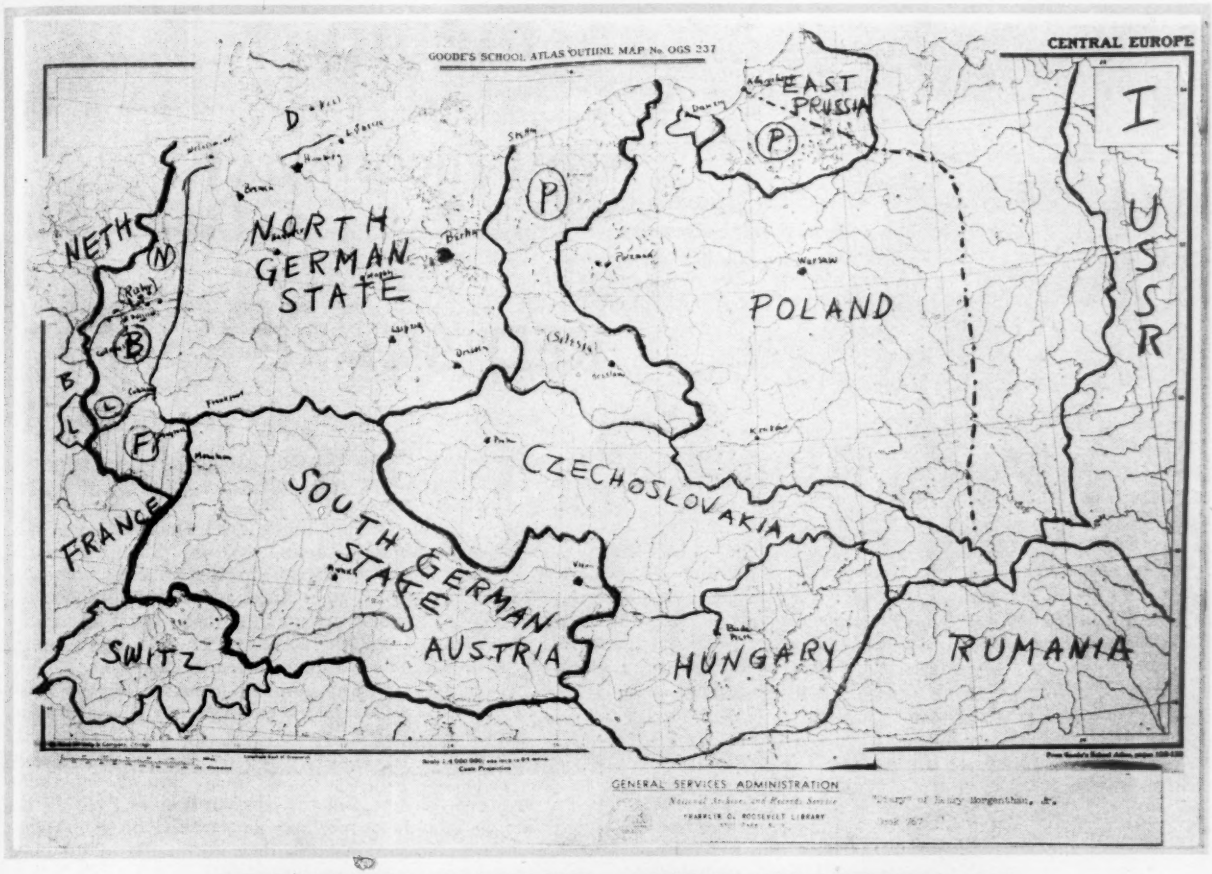
"Foley [Edward H. Foley, Jr., Treasury General Counsel] will continue as chairman of his committee, but if it is a foreign matter or something like that he wants me to know about, he will discuss it with Harry and Harry will come in to me with Foley. In other words, the way it is now, nobody knows everything that is going on except me and I don't always know.

"Mr. Bell: [Daniel W. Bell, Treasury Under Secretary] That's true.

"H.M., Jr.: I want it in one brain and I want it in Harry White's brain."

As the U. S. moved into war, Harry Dexter White thus became the representative of the Treasury Department in its dealings with all the combatant nations who sought aid, including Russia.

Some time later, as it became clear that U. S. forces were going to be taking over large foreign areas around the world, White acted to consolidate his authority over occupied areas.



THE WHITE PLAN TO CARVE UP GERMANY

This is a photostatic copy of a map of Central Europe as it appears in a diary kept by former Secretary of the Treasury Henry Morgenthau, Jr. The map accompanied a 1944 memorandum prepared in the office of Harry Dexter White, proposing dismemberment of Germany. As the map shows, Germany was to be split into two weak states, named "North German State" and "South German State." South Germany was to include Austria. France was to get the Saar Basin ("F"). Luxembourg, Belgium, the Netherlands and Denmark were to get pieces of Germany (marked "L", "B", "N" and "D" on map), including the Ruhr Valley, industrial heart of present West Germany. Poland was to get a slice of Eastern Germany, including Silesia and half of East Prussia ("P"). Russia was to get the rest of East Prussia, and the eastern third of Poland, including Königsberg (up to dotted line).

This move came at a meeting on Feb. 22, 1943, in which White urged Under Secretary Bell to drop out of functions involving foreign funds, on the ground that Mr. Bell had too much to do. Three days later, the diary shows, Mr. Morgenthau issued a memorandum giving White "supervision over" and "full responsibility" for Treasury's policies in foreign areas "in which our armed forces are operating or are likely to operate." He was also given charge of liaison with the State Department, Army, Navy, all other U. S. agencies and the representatives of foreign governments.

This meant that, if the Ambassador of China wanted to discuss a loan, he came first to Harry White. So did the Ambassador of Britain—and of Russia.

What White did. Entries from the diary, now being read into the record before the Senate Internal Security Subcommittee, show the wide range of White's interests and powers.

These documents show White sitting in on a meeting in September, 1939, in which the Chinese Ambassador, Hu Shih, discusses a loan proposal. It is one of the earliest episodes in which White is given jurisdiction over matters relating to China.

In September, 1940, White is appointed to an interagency committee planning U. S. programs for Latin America.

In October, 1941, White is advising Secretary Morgenthau on a silver loan to Mexico; the proper role of the Treasury in defense programs; the British dollar position. At a meeting in his office, he tells three British officials that his Treasury group is a court of appeal on Lend-Lease matters.

In other diary entries, over the 1942-45 period, White is revealed as an adviser on corporation tax policy; on Axis activities in Portugal and Argentina; on a revolution in Bolivia. He urged, in 1943, that no commitments be given on the use of currencies to Allied governments-in-exile, most of which were opponents of Russian Communism.

The Morgenthau diary thus is seen as adding a new chapter to the story of a strange and controversial figure in the wartime Government of the U. S., a man accused of spying for Russia from one of the highest posts in the land.

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FROM YUGOSLAVIA

RED SCARE

BELGRADE—Talk to a Yugoslav now and he'll tell you he's pretty sure the Russians aren't coming back—but what a scare he had!

Although the Soviet leaders went home without winning over Marshal Tito, it will be a long time before the man in the street here recovers from the shock he got when he first heard that the men from the Kremlin were coming in to talk about the good old days of Russian-Yugoslav partnership. Those were days the people here are not likely to forget.

You only have to get into casual conversation on the street to become convinced that the Yugoslavs, the ordinary private citizens, do not want to go back into the Russian fold—now or ever.

This became obvious from the very first day it was announced that a Russian delegation was coming to Belgrade. The news touched off a rampage of hoarding. Just a rumor that "the Russians are coming back!"—reawakening memories of scarcity and privation—was enough to set things off. For several days, hoarding reached such a feverish pitch that some items vanished from the stores.

Village officials were obliged to revive local rationing systems. Shoppers made repeated trips to the bakeries, hauling away great sackloads of supplies. Fights broke out among those queuing up in front of some shops. Windows were smashed by the eager hoarders.

Then, pointed jokes. After the Russians got here and people saw how things were going, the panic subsided. Gradually, fear gave way to jokes—jokes with barbs in them, and all of them aimed at the Russian visitors. One of the more popular gags called on the Yugoslavs to show their hospitality by queuing up in front of shops when Russia's Nikita Khrushchev rode by—to make him feel at home.

It is not hard to discover what caused the original panic and the nervous jokes—and why many people still get the jitters at the mere thought of their Govern-

(Continued on page 90)

—Black Star

WINDOW SHOPPERS IN BELGRADE
When they think of Russians, they think of queues

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New Victor Select-O-Matic gives automatic answers, fabulously fast.

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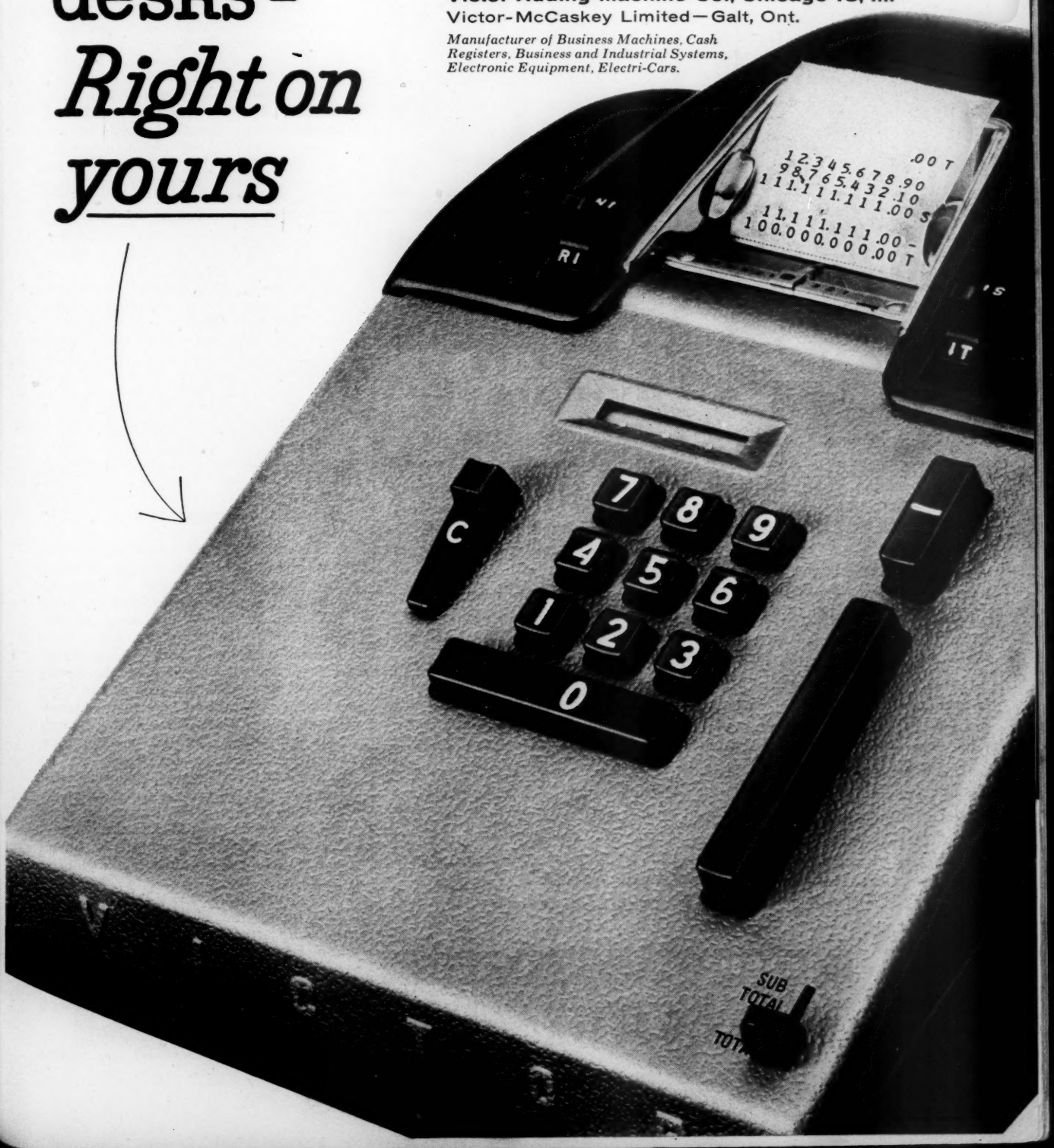

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Back in the '90's, an Automatic Telephone System was placed in service in Augusta, Georgia. It was the largest ever installed, and subscribers considered it little short of miraculous—for by simply turning a dial, they could choose and talk with any one of a *thousand* telephone users!

The one person untouched by this enthusiasm was the man from Automatic Electric—the man responsible for the entire installation. "Many here consider it perfect," he wrote. "I disagree. There are *many* improvements that I figure can be made."

Time has proved how true was his vision! Today, Automatic Electric produces automatic telephone equipment that is capable of interconnecting *millions* of telephones—enabling telephone users to dial their own telephone connections clear across a continent, if desired. Principles thus developed have been universally adopted by other manufacturers of telephone equipment; in fact, you may be quite sure that *if you use the telephone, you benefit from the developments of Automatic Electric.*

Businessmen profit, too, by using these Automatic Electric products:

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- *Relays, stepping switches, and other "telephone-grade" components for electrical control in product or plant.*

Full information about Automatic Electric products for *your* office, plant, or product may be obtained from Automatic Electric Sales Corporation, 1033 West Van Buren Street, Chicago 7, Illinois.

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AUTOMATIC ELECTRIC

ORIGINATORS OF THE AUTOMATIC DIAL TELEPHONE

memo

. . . Yugoslavs contrast U.S. aid, Russian rule

ment's doing more business with Russia. The days when this country was tied closely to Moscow are associated with very hard times in Yugoslavia. Blaming the whole thing on Russia is not always justified, because those were also post-war days when the country was suffering the ravages of years of combat. But the association sticks just the same.

People still remember the shortages, the long working hours, poor pay—and Russian advisers everywhere they turned. "It seemed to us then," one man recalled the other day, "that it took only one Russian adviser in any given area to get everything messed up."

The women of Yugoslavia, who only recently began to wear lipstick and costume jewelry again, think back to the drab, harsh clothing of the Russian era.

U. S. help. With American economic aid making itself felt more and more, the Yugoslavs right now not only are better off than before the break with Russia—they see constantly how much better off they are than the Balkan countries that remain behind the Iron Curtain. Members of a Bulgarian football team that came to Belgrade for a match recently amused the Yugoslavs by walking around the streets as though they were in paradise—gawking at the comparatively well-dressed girls and gaping at the bright displays in shop windows.

The Yugoslavs are better off in other ways than just material things. Although their country still is ruled by Communists and remains a dictatorship, there has been a definite loosening of political and police controls since their Marshal Tito broke with Joseph Stalin. This is not a terror state on the Soviet model. More open criticism of the Government is permitted here than Moscow would ever tolerate. Newspapers, though still controlled, play the news a little straighter than they did before.

The men and women you talk with don't want to go back to the restrictions, the controls and police terror, any more than they want to go back to the poverty. Any suggestion of a return to Soviet domination brings terrifying memories of all such things.

Sigh of relief. Now that the Russians have gone, the Yugoslavs are inclined to smile at their own nervousness. But they certainly had a scare! And, with the outlook ahead so uncertain, they're still keeping fingers crossed—hoping fervently that they've seen the last of Joseph Stalin's successors.

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WHO LEADS IN GUIDED MISSILES?

It is no accident that the United States leads the world in the vital business of building guided missiles. We lead because American industries like North American Aviation are far ahead of the world in the highly advanced scientific, engineering and technical fields needed to design and build successful missiles. One example of this leadership is North American's SM-64 Navaho, an intercontinental, surface-to-surface strategic guided missile for the U.S. Air Force.

North American Pioneered in all three basic phases of missile design and development:

While North American's propulsion specialists have solved many unprecedented problems of rocket engine engineering . . .

Other North American technicians designed and built airframes capable of withstanding the stresses of ultrasonic flight.

Still others have engineered the highly precise guidance and control mechanism . . . the missile's "brain."

Working for the Future

Maintaining its leadership in all phases of guided missile development and manufacture, North American is working on advanced new developments in the design and production of rocket engines and guidance and control mechanisms for its own and other missile programs throughout the country. Constant research and development keep North American foremost in aircraft, rocket engines, electronics and peaceful applications of atomic energy.

Engineers: For information on North American's missile team, write: Engineering Personnel Office, 12214 Lakewood Blvd., Downey (Los Angeles County), California. North American also offers challenging career opportunities in its complete engineering facilities at Los Angeles, California, and Columbus, Ohio.

ENGINEERING AHEAD FOR A BETTER TOMORROW

NORTH AMERICAN AVIATION, INC.

Special Report

(This article represents the result of an extensive research on a problem of outstanding importance.)

WHY IT COSTS MORE TO BUY A FARM

Rural real estate is worth more than a year ago.

The recession in agriculture hasn't hurt land value the way many farmers feared. Farms bought as investments are making money.

As a result, interest in buying farm land is mounting. Farmers are enlarging their holdings. They see a good future for the large, efficient producer.

The nation's farmers are getting a pleasant surprise in the midst of their trouble with surpluses and falling prices of crops.

Value of their farms, in most areas, actually is increasing. Farm land is becoming more valuable, as shown by actual sales and by Government studies.

The price of rural real estate turned up in the last year in most States. This brought to an end a decline in values that set in during 1953.

Real estate brokers had expected the drop in farm values to continue longer and go deeper; so had quite a few investors who were saving up their money in hopes of buying land cheaply.

They find now that farm land, even during an agricultural recession, is far from cheap. On the average, it is worth just a little less than the record value of 1952, and in quite a few States the record actually is being broken. That is brought out by a Department of Agriculture index.

The index, taking 1947-49 as 100, stood at 128 in 1952 for the U. S. as a whole, dropped to 122 by the spring of 1954, and rose to 125 this spring. The chart on this page indicates the changes from one year to the next but does not reflect some increases which got under way late in 1954 after further declines in the first half of that year.

At the present level, farm land is worth two and a half times what it brought before World War II.

Back of the rise. Government men, explaining the upturn, note a trend to bigger, more efficient farms.

Successful farmers reach out for addi-

Farm Land: Prices Are Going UP

Official index, prices of farm real estate
(1947-49 equals 100)

	1940	1950	Year Ago	NOW
AVERAGE	50	102	122	125
ALABAMA	47	101	125	123
ARIZONA	47	95	113	110
ARKANSAS	40	105	122	124
CALIFORNIA	49	86	91	95
COLORADO	42	97	94	89
CONNECTICUT	65	100	109	111
DELAWARE	55	98	120	126
FLORIDA	57	97	116	125
GEORGIA	45	99	126	124
IDAHO	53	95	91	90
ILLINOIS	50	108	139	142
INDIANA	44	103	135	144
IOWA	50	108	124	132
KANSAS	45	106	125	129
KENTUCKY	42	102	116	115
LOUISIANA	57	105	121	125
MAINE	69	95	90	87
MARYLAND	50	99	123	128
MASSACHUSETTS	74	99	106	106
MICHIGAN	46	100	128	133
MINNESOTA	55	109	127	135
MISSISSIPPI	46	106	130	131
MISSOURI	50	106	121	123
MONTANA	46	98	109	107
NEBRASKA	47	104	127	134
NEVADA	52	95	102	96
NEW HAMPSHIRE	67	97	105	105
NEW JERSEY	62	103	124	126
NEW MEXICO	39	103	107	103
NEW YORK	59	105	114	112
NORTH CAROLINA	43	106	133	138
NORTH DAKOTA	48	107	134	132
OHIO	46	101	132	141
OKLAHOMA	50	108	125	130
OREGON	57	92	94	92
PENNSYLVANIA	58	102	130	134
RHODE ISLAND	66	101	109	108
SOUTH CAROLINA	43	97	117	114
SOUTH DAKOTA	47	111	135	139
TENNESSEE	42	103	116	114
TEXAS	55	102	130	133
UTAH	61	100	101	101
VERMONT	58	101	107	104
VIRGINIA	48	101	129	130
WASHINGTON	54	93	96	96
WEST VIRGINIA	58	95	109	110
WISCONSIN	58	101	113	111
WYOMING	42	99	108	105

Source: Agriculture Department

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tional land to permit more efficient use of farm machinery. The Agriculture Department reports that these farmers often stand ready to pay more than the going market price for just the right piece of land.

The official survey shows that, in the wheat areas, 40 to 50 per cent of all land purchases have been made to enlarge existing farms. In the central corn belt, at least a third of purchases have been for this purpose.

The result shows up in the size of farms. In 1940, the average farm was 174 acres. By 1950, it was 215 acres. A new survey, not yet completed, is expected to show a further increase.

As people move to the city, the farm population declines. In the period since 1950, the number of people living on farms has declined from 25.1 million to about 21.2 million, according to estimates by the Economic Unit of *U. S. News & World Report*. The number of farms, in the same period, has dropped from 5.6 million to 5.4 million.

In some areas, good farm land is getting hard to find.

"Today there is a lot of money waiting to be invested in farm land, and not much land is to be had," says one leading real estate expert. Most farmers, he says, now are holding on to what they have.

The whole picture, Government men say, suggests a good deal of confidence in the future of U. S. agriculture.

To many, this seems strange in the face of declining farm income. Prices that farmers get, on the average, have declined more than 22 per cent in the last four years. At latest reports, they were continuing to drift lower.

Farm income, after expenses, was about 30 per cent less in 1954 than in 1947, the year of highest return.

Farm land—a good buy? Government men point out that the decline in total farm income can be misleading, for the smaller total today is divided among fewer farmers. The average income per farmer has held relatively stable—$2,268 in 1954, compared with $2,276 in 1953 and $2,352 in 1950. This income, figured after expenses, including depreciation of buildings and equipment, is an average. Many good farms bring in much higher incomes.

On the more efficient farms, therefore, profits remain large enough to attract buyers.

A Midwestern company that manages many farms for absentee owners says the profit on farms bought a decade ago, when land prices were lower, often comes to 7 or 8 per cent of the owner's investment. That is after allowing for the payment of the tenant farmer and the company's management fee.

On farms bought at current high prices, returns of 5 to 6 per cent sometimes are possible. Farm real estate experts note

(Continued on page 94)

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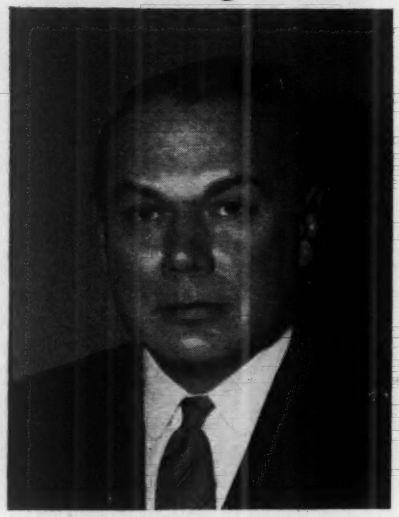

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says MR. PHILIP A. STREICH

National Sales Manager
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"I spend a good deal of my business life traveling," says Mr. Streich. "And experience has taught me to stay at a Manger Hotel whenever possible.

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. . . Farmers are holding on to their land and buying more

that this is greater than the yield on most "blue chip" stocks or other securities purchased for investment.

The return to the efficient farm operator who owns and works his land can be much higher, of course, than that received by the absentee landlord.

Farms, therefore, have not lost their appeal as an investment, despite reduced prices of farm products.

City people are customers. A good deal of money has been put into farms in recent years by city folks. Many of these people have bought farm land as a long-term investment. Some have been attracted by farm property as a hedge against inflation.

Other city people, a considerable number, have been buying farms 20, 30 or 40 miles from town and commuting daily on good roads to their city jobs.

With electricity and most of the conveniences enjoyed by city dwellers, living on the farm has more appeal than it once did.

Many of the city people who move to the country operate their farms on a part-time basis. Sometimes a city buyer finds that he can get an older farmhouse and a sizable tract of land for less than he would have to pay for a new suburban home and a small lot. Even so, his land in the country may come to $300 an acre. Purchases of land by city people at such prices tend to hold up the value of farm land in the neighborhood.

In farm areas closer to town, builders have been buying up farm property for housing developments. Suburbs, with good transportation, are reaching far out. Farm land, thus, becomes more valuable as a speculation. A farm a short distance beyond the present subdivisions gains in value because builders may be bidding for it a few years hence.

Government officials recognize all this as a factor in the strength of farm-land prices.

In the official view, however, it is the real farmer, the country farmer, who is the important factor in the rise of farm-land values. This man is expanding his farm, investing for the profit he expects from farming, not resale.

Where prices are highest. The greatest concentration of high land values is found in the Midwestern corn belt. This is where farmers are suffering least from crop surpluses or lower Government price props. Income from hogs has been high; cattle prices have improved.

The Agriculture Department report shows prices of farm land equaling old records or setting new ones in Ohio, Indiana, Illinois, Michigan and Iowa.

Outside the corn belt, farm values are at record levels also in Connecticut, Pennsylvania, New Jersey, Delaware, Maryland, North Carolina, Florida and Louisiana.

In most other States, prices of land are rising but have not yet returned to record levels.

Through much of the South, land values remain somewhat below record figures. This is true of the cotton-growing States, including Alabama, Mississippi, Arkansas, Oklahoma and Texas.

Land in most of the wheat belt is cheaper than it was in 1950 or 1951, though the decline in Kansas, Nebraska, South Dakota and North Dakota is not great, considering the sharp drop in prices and Government curbs on planting.

Dairy States show moderate to sharp declines in real estate value. In New York and Wisconsin, prices of land continued to decline this past year.

Where Farm Land Today Is Worth Less Than in 1920

	(1947-49=100) 1920	NOW
Colorado	95	89
Idaho	98	90
Maine	102	87
Minnesota	138	135
Nevada	106	96
Oregon	101	92
Utah	136	101
Washington	105	96

Source: Agriculture Department

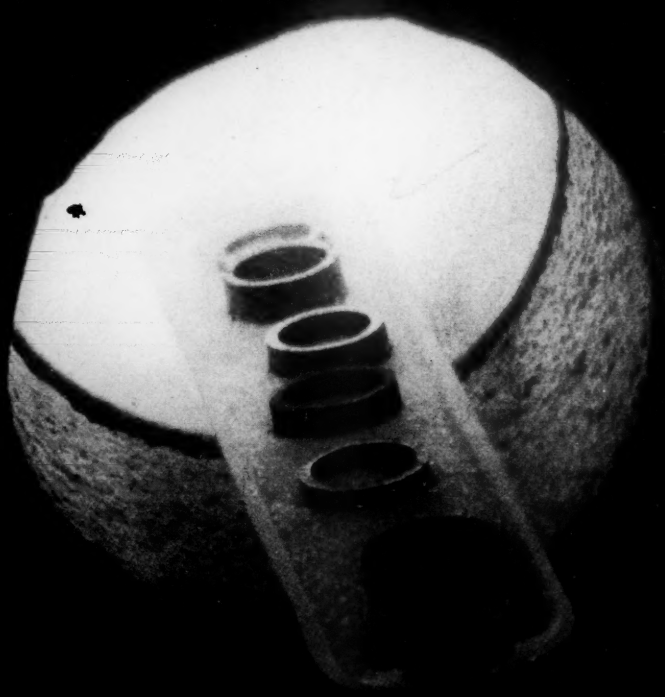
Where prices are lowest. States hit hard by a combination of bad weather and lower crop prices show the sharpest drop in land values.

The Government index indicates that farm real estate has slumped, from the postwar peak, about 21 per cent in Colorado, 16 per cent in New Mexico, 14 per cent in Nevada, 13 per cent in Idaho, 13 per cent in Maine, 11 per cent in Arizona and 11 per cent in Wyoming.

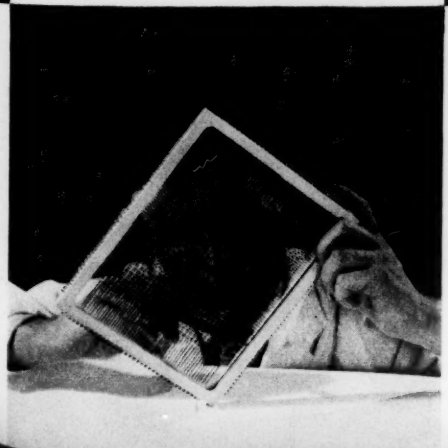
In eight States, as shown in the table on this page, farm land today is cheaper than it was during the boom right after the first World War.

But, generally, farm land is worth a good deal more than it was any time except around 1950. Farmers are finding they can make a profit even in difficult times. They are holding on to their farms and, where possible, buying more land. Land prices in the country are going up.

Through IBM research tomorrow's thinking TODAY . . .



Magnetic cores are intricately woven into copper-wired frames to become the "memory" of powerful IBM electronic data processing machines such as the new IBM 705.



Memory . . . in the making

Magnetic cores, each one actually little larger than the head of a pin, are shown here dramatically magnified by the microcamera as they are taken from a heat-treating kiln. Their ultimate function: to store or "remember" information fed into IBM electronic data processing machines for business.

They also illustrate IBM's leading role in applying the latest electronics advances to data processing. Out of this continuing leadership by IBM has come today's "quiet revolution" in American business methods.

In almost every field of activity, from fundamental research and engineering calculations to everyday business accounting, IBM data processing is rapidly narrowing the critical gap between problems and decisions.

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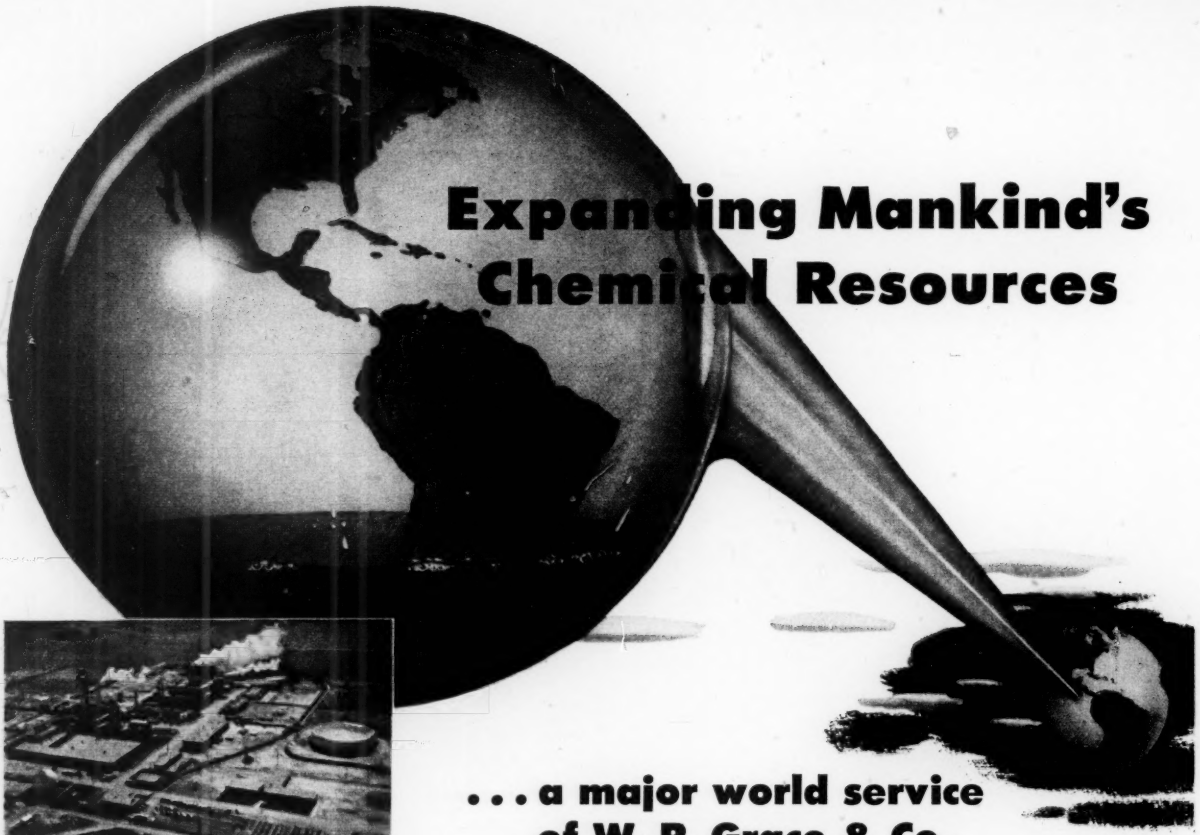

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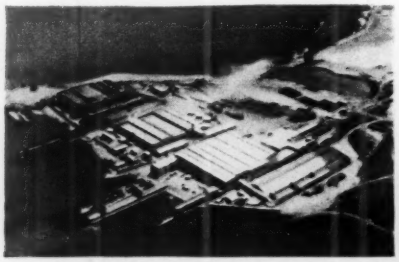
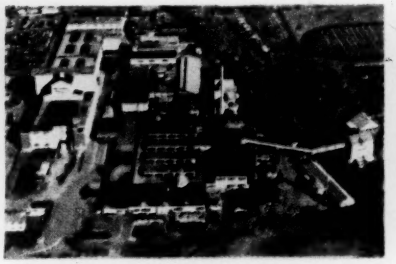
Through basic research, product development, and the constant provision of new manufacturing facilities, W. R. Grace & Co., through its divisions and its subsidiaries, is placing a growing variety of wonder-working chemicals at mankind's command. This forward-looking program is guided by the sense of responsibility which has marked Grace policies for over a century and reflects both the will and the ability to serve.

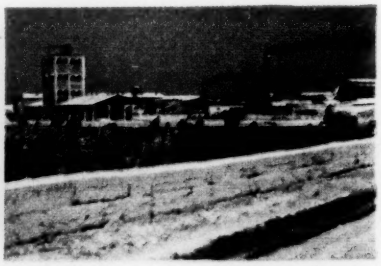
In the new Grace Chemical Company plant in Memphis ultra-modern equipment produces large quantities of ammonia and urea for use by both industry and agriculture.



At plants like this Baltimore unit, the Davison Chemical Company Division produces silica gels, silicofluorides, catalysts, inorganic acids, and fertilizer chemicals.



CONTAINER SEALING COMPOUNDS are made by Dewey and Almy Division at this plant at Cambridge, Mass. Other products of the Division: **CRYOVAC bags** for food packaging, battery separators, organic chemicals.



In South America, the Grace chemical program is carried forward through plants like this alcohol distillery at Paramonga, Peru, where caustic soda, chlorine and hydrochloric acid also are produced.

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You get now, from a survey just completed, details of how college endowment funds invest their money--including a list of these funds' favorite stocks.

COLLEGE INVESTMENTS. Universities and colleges with substantial endowments, the new study finds, invest an average of about half these funds in common stocks. The actual breakdown is common stocks, 49.2 per cent; preferred stocks, 6.2 per cent; bonds, 32.5 per cent; miscellaneous securities, 1.2 per cent; real estate, 6.7 per cent, and cash and other investments, 4.2 per cent.

The study covered 42 institutions with endowments of from 4.4 to 365 million dollars. It was made by Vance, Sanders & Co., a Boston investment-banking firm.

FAVORITE STOCKS. The report shows that certain stocks are particularly favored by the endowment funds. In 18 funds selected for detailed study, these were the 10 stocks appearing in portfolios most often: Standard Oil of New Jersey, Union Carbide & Carbon, General Electric, General Motors, Standard Oil of California, International Paper, Texas Company, B. F. Goodrich, Westinghouse Electric, and American Telephone & Telegraph.

With the exception of AT&T, Union Carbide, and Standard of California, the same securities show up in a list of the 10 stocks most widely held by 175 investment companies, the report says. Substitutions on the investment-company list were Amerada Petroleum, Du Pont, and Continental Oil.

DIVORCE. The U.S. Court of Claims sets out some rules that apply in deciding which costs of contesting a divorce can be claimed as an income tax deduction. Generally, the Court says, attorney fees paid by a husband "resisting his wife's monetary demands incident to a divorce" are not deductible. But, when the dispute centers not on his obligation to pay but on how it is to be met, and the wife's demands affect the husband's earning ability, such fees may be deductible.

In the case in point, the wife had asked that the settlement include stock her husband owned in a company of which he was president. Through his attorneys, he was able to keep the stock's voting rights that he needed for control of the company. He claimed a deduction on ground the expenses were necessary to protect property held for the production of income. The Court upheld him.

ROAD MAPS. There is a simple way to tell if the road map you pick up to use on that vacation drive of yours is too old to rely on. Look at the map's copyright date--that usually indicates when the map was prepared, the American

(over)

Automobile Association says. On most maps this date appears with the legend.

A road map more than a year old is considered out of date. Firms supplying motorists with maps usually revise them yearly, though.

INSURANCE. This angle to proceeds from life insurance policies comes in a decision by the Court of Appeals for the Seventh Circuit: If, as the beneficiary, you ask that the proceeds--which ordinarily are tax free--be changed from a set number of installments to smaller ones payable the rest of your life, you don't necessarily also make them taxable as annuities. The Court points out that in this case the insured person, before his death, had approved the change and that the insurance company had issued an annuity contract for its own convenience.

SUMMER JOBS. Questions arise about earnings of youths who get summer jobs.

If your youngster is a student, or under 19, you can claim him as a dependent for tax purposes even though he earns more than the $600 limit which ordinarily applies. That's true, of course, provided you furnish more than half his support. What he does with the money he earns can affect this test.

Suppose he earns $1,000 and uses it to buy clothes and to pay part of his college expenses. Then the amount you provide for his support must top that sum. If, though, he uses it to buy a car, the situation is different. The federal tax collector says purchase of a car isn't money spent on support. Thus you needn't count the $1,000 in deciding whether you meet the support test.

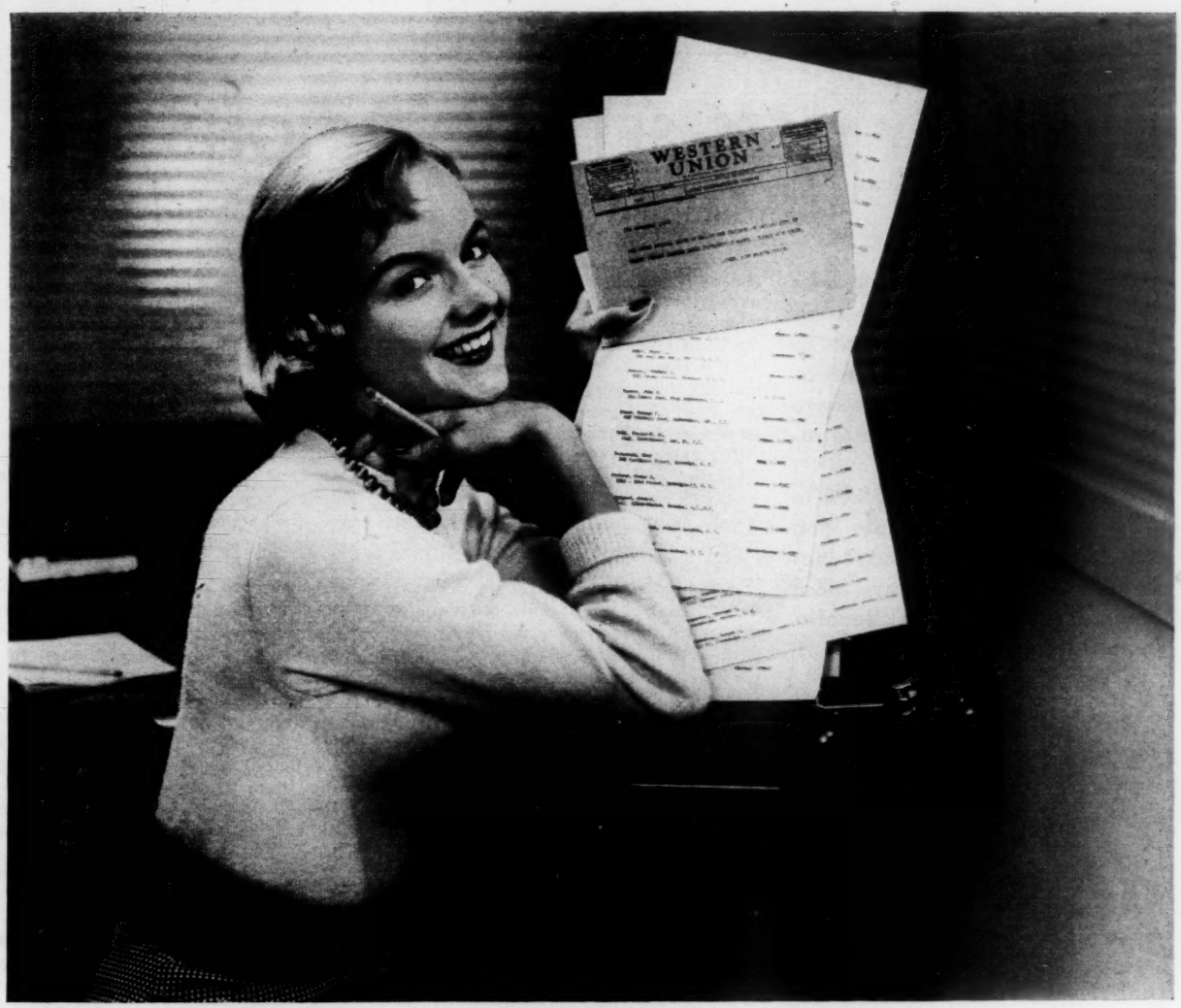
WORK AND TAXES. The fact that your son earns more than $600 in a summer job and files a tax return claiming his own personal exemption doesn't affect your right also to claim him as a dependent. If he makes less than $600, he may want to file a return to claim a refund for taxes withheld.

He can't get a refund, though, for the Social Security tax which the law provides must be taken from his pay. This is withheld whether he works regularly or part time--unless he comes under rules applying to household employes. Then he's not taxed unless he earns $50 in a calendar quarter.

WATER WELLS. If your water well gradually goes dry during a long drought, you can't claim a loss from it as a deduction on your income tax return. But you might be able to if it goes dry suddenly. That's suggested by the wording of a new Internal Revenue Service ruling. The drying up of a well resulting from a prolonged lack of rain, IRS says, doesn't qualify as a sudden, unexpected happening--a requirement for a casualty-loss deduction.

SAFE DRIVERS. A Navy research group comes up with a study on what makes a safe driver. In comparing a group of Marines who had no accidents with others who had one or more, the study found: The safe driver is more conservative. He doesn't lose his temper easily, has a more mature outlook, and shows a healthier attitude toward responsibility and the law. He doesn't regard accidents as "mostly due to luck," believes in paying constant close attention to driving.

HUNTING AND FISHING. The Government wants to find out how much time and money you spend hunting and fishing each year. To get this information--only guessed at before on a national scale--the U.S. Fish and Wildlife Service has contracted for a survey to start next January, using sampling techniques.



Make short work of a long list ...with one telegram!

WHEN you want to send the same message to many people, just give one copy of your telegram to Western Union with a list of names and addresses—and your job's done. Telegrams will be flashed to everybody on your list at the same time . . . whether the list contains five or five thousand names . . . or more.

Use this "One-to-Many" message service to build sales, capture buyers' attention, broadcast price changes, set up meetings—to make special announcements in *any* situation where you want broad coverage and *individual* action. It's fast, easy and economical in time and money.

when it means business **it's wise to wire**

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Now, You Get More in Telegrams

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WESTERN UNION

INDUSTRY GETS SET FOR A FIGHT

Guaranteed Wage for Everyone a Long Way Off

Employers are not falling over each other in a rush to copy Ford and General Motors in paying unemployment benefits. There are many outside the auto industry who are prepared to resist.

Some unions will be asked to drop the guaranteed-pay idea and take wage increases instead. Legislatures may block unions in a few States. Benefits for all aren't around the corner.

CHICAGO

The men who run the manufacturing businesses of this country—large and small—are heading into a clash with unions over the latest issue in labor relations, a demand that employers pay benefits to laid-off workers.

Ford Motor Company and General Motors Corporation, it turns out, did not start a band-wagon movement in industry for a modified guaranteed wage when they agreed recently to pay benefits to workers who are laid off during slack periods. Employers outside the auto industry are taking a cold, hard look at the Ford-GM plan and a good many don't like what they see.

It's too early to be sure how stiff the resistance will be, but a member of the Board of Editors of *U. S. News & World Report*, after talking with industrialists from all over the country, gets these impressions:

• Employers generally are seriously concerned over the prospect of coming to grips with this new demand. Many indicate a desire to resist by any means possible paying such benefits. This attitude is found among executives who already have been confronted with this demand, but it is not confined to them.

• At the same time, it is apparent that a predominant number of industrial employers believe they will not have to sign agreements calling for these benefit payments, but that, if they do, they will not be hurt much. After all, these people say, United Auto Workers' Walter Reuther didn't come close to getting a guaranteed annual wage, with its unlimited labor costs. What he did get in Detroit, as they view it, was merely an added charge of 5 cents an hour to be paid into a reserve fund for financing layoff benefits.

• There is agreement that State legislatures hold a veto over the Ford and GM type of plan. Real doubt exists among employers that legislatures will give their consent quickly to a dual system of benefits by employers and the States. Some employers believe their best chance to keep the Ford-GM plans from spreading lies in the legislatures. Employers may lead the fight against the plans in many States, though there seems little doubt of approval by the Michigan lawmakers.

• Higher pay, with assurances of more raises to come, will be used by some employers to try to entice unions away from the layoff-pay idea. These companies are encouraged by reports that some auto workers objected to their settlements on the ground that they would rather have cash in the pay en-

(Continued on page 102)

WILL STATE LAWS BLOCK THE GUARANTEED WAGE?

Under State systems of jobless pay—

- A worker, when laid off, registers at State employment office.
- If another suitable job is available for him, he must take it or sacrifice his right to jobless pay.
- If another job is not available, he qualifies for unemployment benefits. These benefits, nationwide, average about $25 a week.
- Weekly checks begin in second week of layoff, continue for as long as 26 weeks. Exactly how many weeks depends on how long the worker has been in a job covered by unemployment insurance.

Under employer's guaranteed wage*—

- Jobless pay from State fund is supplemented by employer—beginning about a year from now.
- Laid-off worker, to qualify for company payments, must prove he is drawing jobless pay from the State.
- Qualified worker gets as much as $25 a week from the company, to bring his total to 60 or 65 per cent of normal take-home pay.
- Checks from employer begin in second week of layoff, and continue for as long as 26 weeks. Period depends on employe's length of service.

BUT: Most States, including Michigan, have ruled that no worker can draw full jobless benefits from the State if, at the same time, he is being paid by his own employer.

SO: If the guaranteed wage is to work, State laws or regulations must be changed.

*As accepted by Ford and General Motors.

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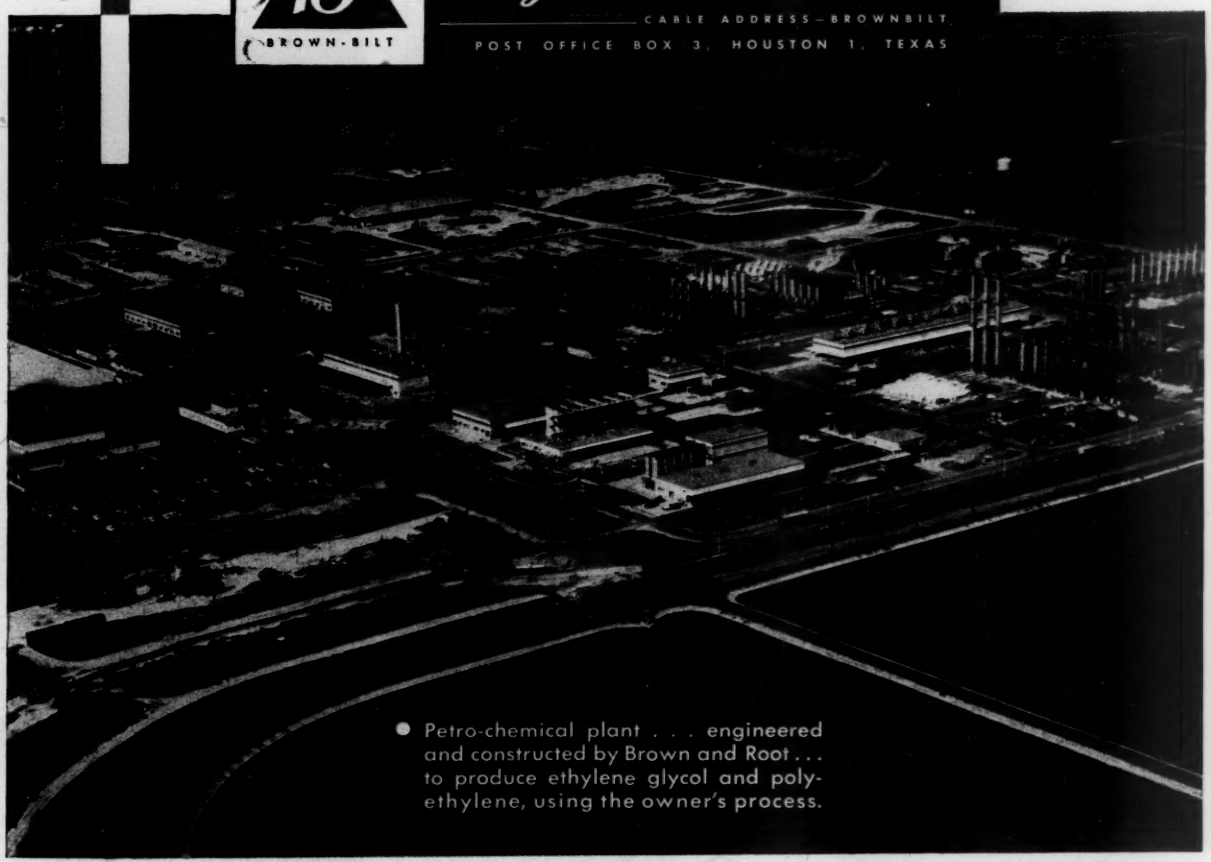

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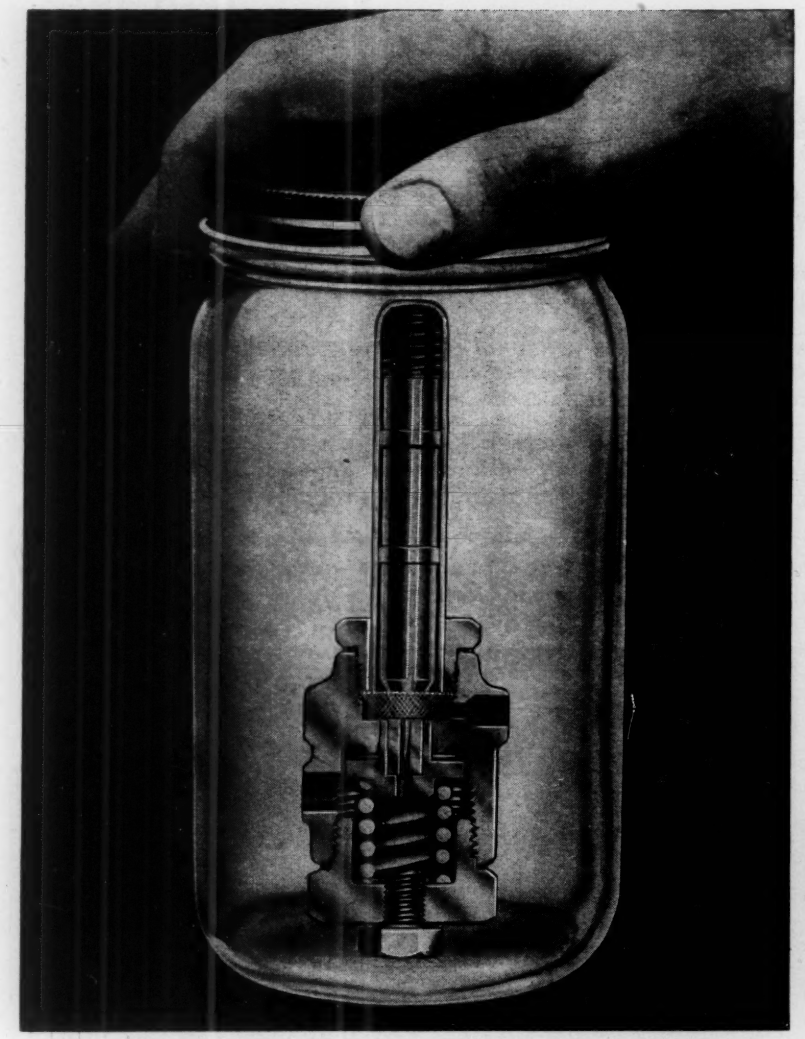

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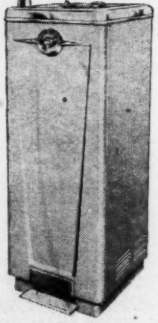

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YOU CAN BE SURE... IF IT'S Westinghouse

WESTINGHOUSE ELECTRIC CORPORATION, ELECTRIC APPLIANCE DIVISION, SPRINGFIELD 2, MASS.

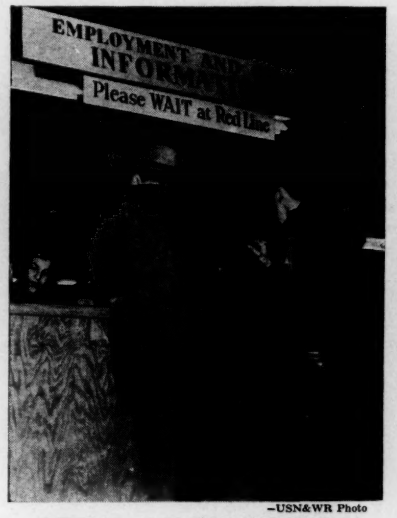
Auto employers think annual wage will spread . . .

velope than company payments into an unemployment fund that might never bring the worker anything.

These are the impressions that a reporter gets from talking to employers, many of whom got together in Chicago last week at an "emergency conference" sponsored by the National Association of Manufacturers on the subject of the guaranteed annual wage.

When it comes to separating the industries that will and will not be faced with the Reuther-type demand, employers find it impossible to draw a fixed line. But some rather definite views can be found.

For some: a showdown. Shipowners, for example, find that the annual wage has a foothold in their industry,



–USN&WR Photo

GETTING UNEMPLOYMENT PAY
How many employers will add to it?

since East Coast shipping lines and the National Maritime Union, CIO, reached an agreement in principle last week on a plan for unemployment benefits for idle seamen.

In automobiles, employers also expect a spread of the Ford-GM plan. The smaller manufacturers are making a determined effort to get an agreement that will cost them less than the agreement signed by Ford and General Motors. The smaller companies say a cheaper package is necessary if they are to stay in business.

The union, however, gave no indication of cutting its demands as it went into bargaining last week with American Motors Corporation in Detroit. These ne-

. . . Some firms hope for lower demand from UAW

gotiations covered 22,000 workers in eight plants making Nash and Hudson cars and household appliances.

Automotive suppliers, the makers of auto parts, also are facing the same demands for unemployment benefits, but are divided as to the strategy they should follow.

One group indicates it will take the Ford-type plan. Another segment of this industry hopes to persuade union leaders to take a substantial wage increase in place of the Reuther program. Some parts plants have contracts with other unions that are not seeking an annual wage, but want pay raises instead.

Still another group of suppliers believes that it may get more lenient treatment from the union. Unless they get a "cheaper package" from the UAW, a company spokesman says, 40 or more companies will go out of business.

For others: crisis coming. Other employers are preparing for early showdowns with the unions in their industries.

In farm-implement plants, the issue already is before employers. Here, employers say they are deeply disturbed by the idea of layoff pay, and are alarmed at the size of the Ford-GM "package," which Mr. Reuther says will cost employers 20 cents an hour.

Major contracts in the farm-machinery field are due to expire in July and August. Employers maintain that the Ford settlement, if applied to farm-implement plants, would either wipe out profits or compel price increases of 10 to 15 per cent. They feel that price increases would be risky because of the decline in incomes of farmers.

Electrical-equipment firms also are facing an early test on the annual-wage issue, but no great concern is being expressed by employers in this field.

When the auto union got a Ford-type plan from General Motors, the same basic agreement was extended to the GM plants where CIO's Electrical Workers hold contracts. Employers expect the CIO union to argue that this GM pattern must be copied elsewhere in the electrical industry, but employers show signs of resisting that strategy.

Elsewhere: pay for working. Not all unions are going to be bargaining this year on the auto union's plan for layoff pay. Employers in some industries are looking ahead to battles on other issues, mainly on wage rates to be paid while the workers are still on the job.

Steel contracts, for instance, allow the CIO Steelworkers to file demands only on the issue of a general pay increase

(Continued on page 104)

ALCOA ALUMINUM PIPE SPEEDS FAST FREIGHT!

Highballing behind powerful diesels, freight speeds on express schedules along the main lines of America's railroads. But old-style classification yards slow the mile-long trains to a snail's pace. That's why sixteen leading roads have turned to Kelly pneumatic tube systems of Alcoa® Aluminum to speed up the vital job of sorting cars.

In 84 yards, waybills and other documents flow from yard offices to clerks' offices and control towers on rivers of air channeled through Alcoa Aluminum Pipe. Kelly Systems, Inc., leading maker of this equipment, reports these advantages of Alcoa Aluminum Pipe:

LOW INSTALLATION COSTS—light weight makes long lengths easy to handle, practical; fewer joints are required.

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LOWER MAINTENANCE because heavy-duty Alcoa Aluminum meets all strength specifications and never requires painting.

For complete information on Alcoa Aluminum Pipe and Tubing, call your local Alcoa sales office. ALUMINUM COMPANY OF AMERICA, 2199-F Alcoa Bldg., Pittsburgh 19, Pennsylvania.

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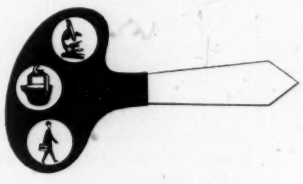

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. . . Textile industry does not expect jobless-pay demands

this year. Union leaders upheld their contracts, announced that the annual wage would be sought when contracts expire June 30, 1956. At the same time, employers say that the auto settlements stiffened the steel union's position this year on wages, made the Steelworkers anxious for a raise that would outshine the cash benefits won in autos.

The rubber industry is due to start bargaining with CIO Rubber Workers in the near future, and the union has listed wages as the first item; the guaranteed wage as No. 2. Company representatives in this industry, however, say that their contracts will not permit bargaining on the guaranteed wage, or any modified form of it, during 1955. Some agreements run into 1957.

Meat-packing firms are likely to get the guaranteed-wage demand in 1956, but most contracts allow talks only on wage increases this year.

Various other industries indicate that they are not expecting unions to ask for the guaranteed wage in their fields for years to come, if ever.

Aircraft manufacturers represent one such group, in which employment varies widely as Government contracts are expanded or reduced. Shipbuilding firms for similar reasons, do not see the guaranteed wage as an issue. Construction firms are certain that their unions will not raise the issue.

On the other hand, employment is so stable in many lines of business that employers do not think union members will press for layoff pay. This idea was expressed by executives of oil companies.

Employers in depressed industries, where profits are low, are not expecting unions to propose unemployment pay. In textiles, for example, unions are fighting against company demands for pay cuts and reductions in fringe benefits won earlier by the unions.

A veto by the States? Even among employers not expecting to face demands for the annual wage, there is considerable support for moves to block the Ford-GM plan in the legislatures.

These moves are based on a provision of the Ford plan, copied in GM's contract, that would terminate the plan for layoff benefits in the event that approval of the idea is not given by States in which two thirds of the company's employes live. Some employers think that the legislatures may veto the plan before it gets a chance to spread to too many other industries.

The Ford-GM contracts give the union until June, 1957, to line up the required number of States. If the goal isn't met by then, the plan dies. By getting Michigan and Ohio to approve, the union can meet the two-thirds rule. Most States do not allow workers to draw full unemployment checks from the State while getting pay in any form from their employers.

Employers have real doubts about getting approval of the double benefits in States such as Illinois and Indiana. Approval seems to be expected in Michigan, but there is a chance that employers may challenge the rulings in court.

In Ohio, the State Senate last week rejected an amendment to allow dual payments, but the issue was not clear cut and the action may be reversed later.

There is plenty of evidence that large numbers of employers are unhappy about the Ford-GM settlement. Ford, especially, is criticized for being the first to yield on the principle of paying for time not worked. A typical reaction is that of one employer who said: "Those starry-eyed boys at Ford don't have any stockholders to account to other than members of the family."

What the Auto Union really wants and what it got—page 116.

Drive to Unionize Office Workers

An attempt is to be made once more to unionize the nation's 8 million office and clerical employes. This time, the AFL is preparing to put money and organizers into a large-scale drive. There also is talk of building one big white-collar union after AFL and CIO merge into a single organization late this year.

Decades of recruiting effort have brought little result in the office-employe field. Fewer than 200,000 workers belong to the unions operating in this field—about 100,000 in a variety of independent unions; about 60,000 in the AFL and about 30,000 in CIO.

Top AFL officials have announced that they will launch a national campaign to organize white-collar workers. The drive, to start in August, will be aimed at office employes such as stenographers, clerks, secretaries and others. This is the field covered by the Office Employes' International Union, an AFL affiliate.

Officials of the AFL union are trying to work out mergers with independent unions of office workers and with 80 CIO local unions in the field. Officials explain that there is no thought of bringing together other white-collar unions such as insurance agents and Government employes.

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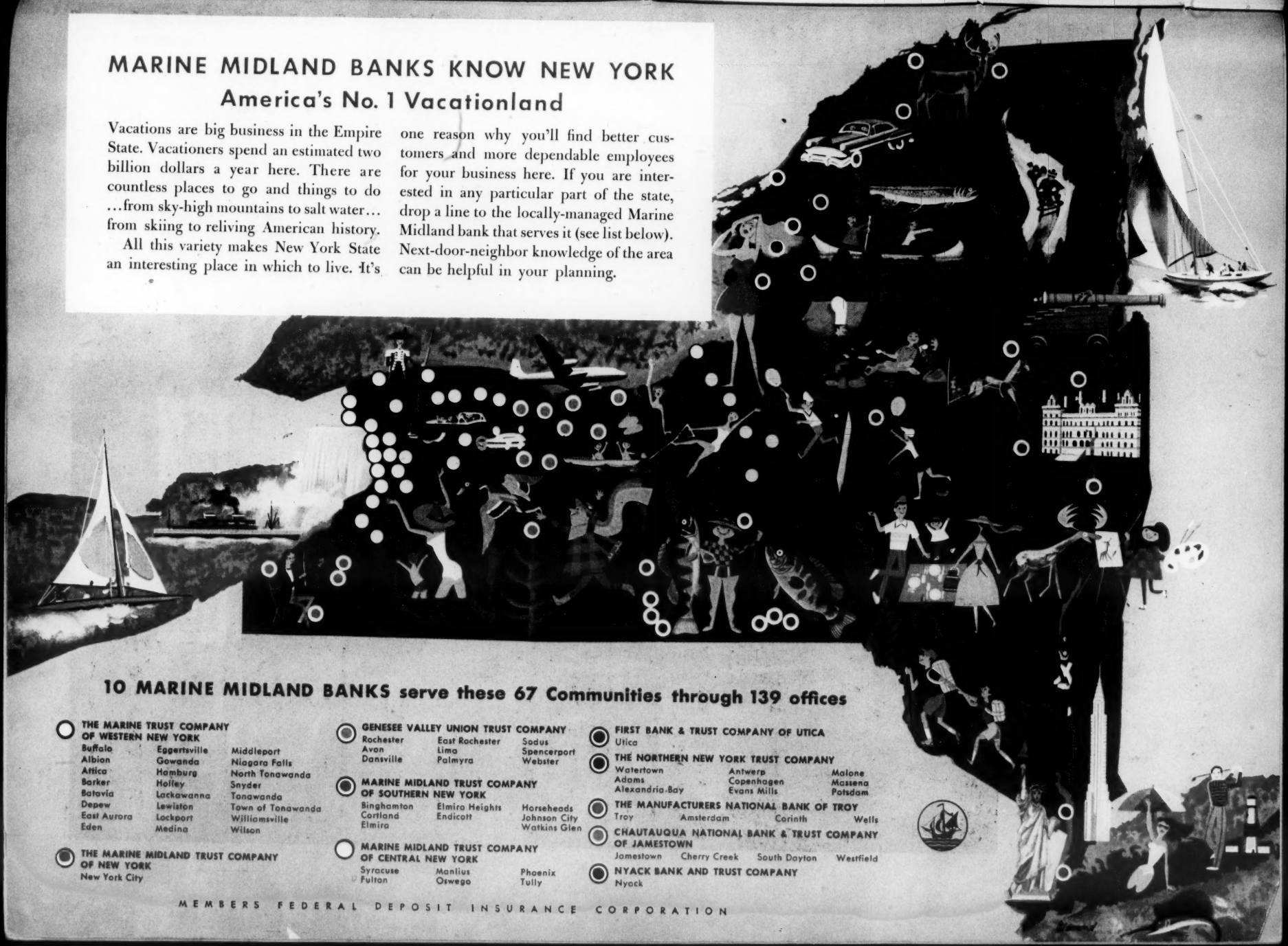

10 MARINE MIDLAND BANKS serve these 67 Communities through 139 offices

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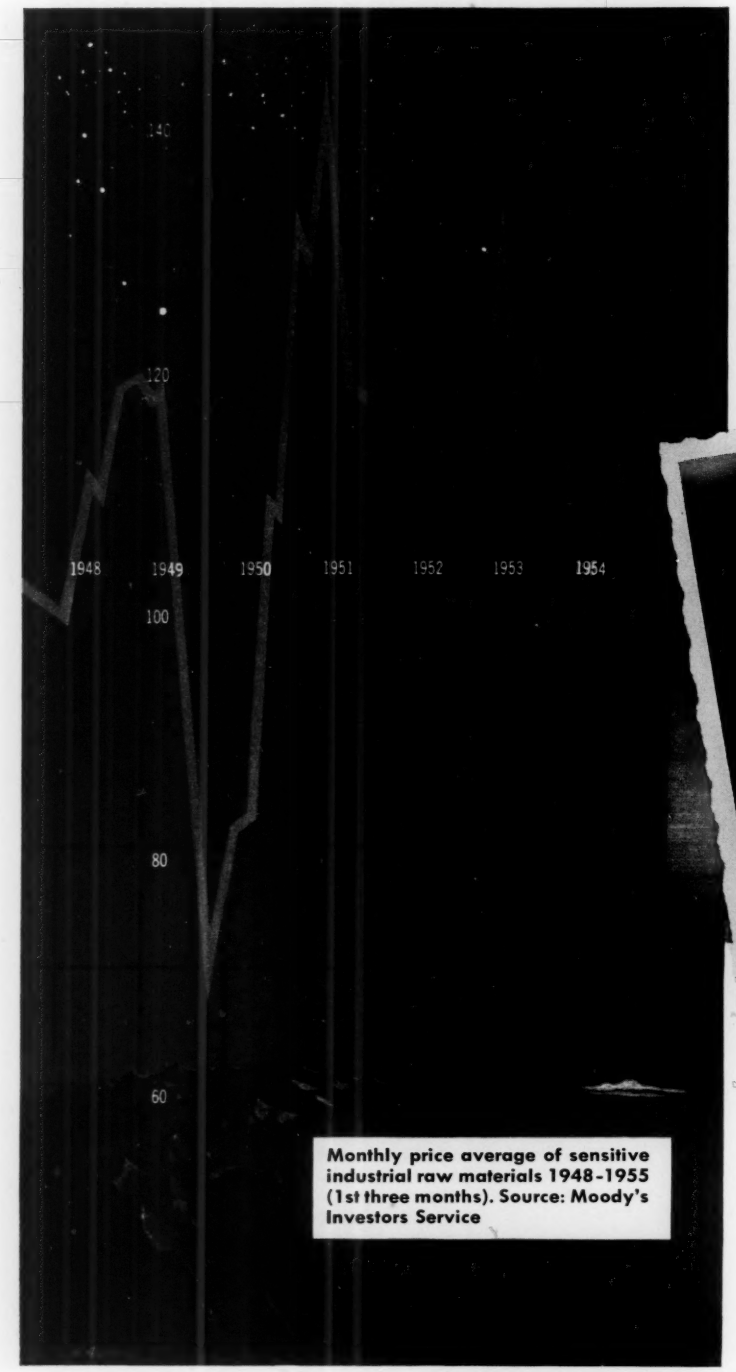
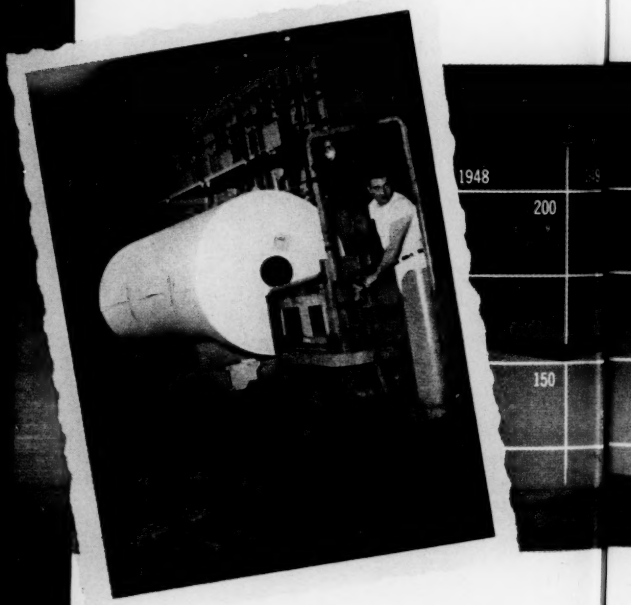
Must industry profiteer during temporary shortages?



Monthly price average of sensitive industrial raw materials 1948-1955 (1st three months). Source: Moody's Investors Service

Most raw material prices fluctuate widely. Such factors as supply and demand, inflation, devaluation, often sheer speculation govern price. A typical price see-saw is shown at left.

Rayonier believes in the law of supply and demand. Nonetheless, we are impatient with the hamstringing of world industries with unjustified price increases during temporary or even contrived shortages.



As a leading chemical cellulose producer, we ask: Is it good business to boost prices without regard to product value merely because supply is short? Or penalize customers who must plan capital outlays, production schedules, marketing strategies months ahead of raw material purchases? "No."

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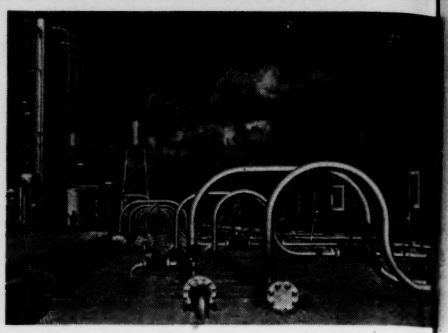
Kashi Ram is an Indian Rhinoceros at the Chicago Zoological Park, Brookfield, Ill. He's 5′ 10″ high, 12 feet long, and weighs 4,000 pounds. United States Steel built and erected the rhinoceros-proof fence at the front of Kashi Ram's cage. The bars are 1⅝″ (outside diameter) extra-strong pipe welded through heavy steel channel sections.



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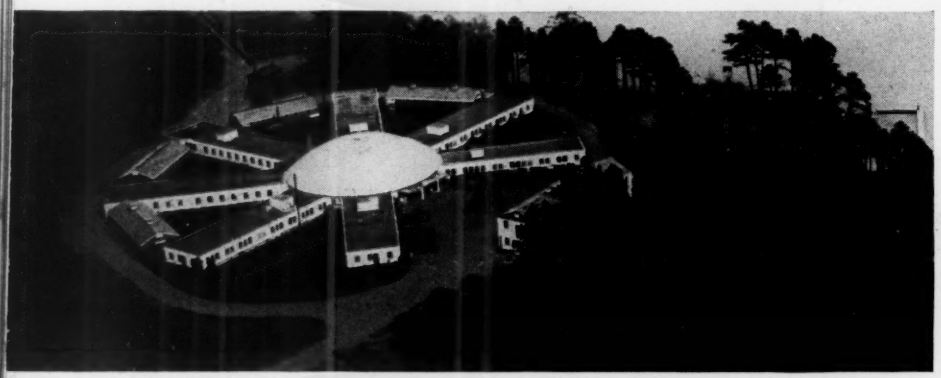

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PLUS & MINUS

Latest Indicators of Business Activity

Spirited buying of stocks has lifted prices on the New York Stock Exchange to a record high. Business news continues to arouse optimism.

Industrial stocks, measured by the Dow-Jones average, hit 442.48 on June 16, up 13 per cent since March 14, and 5 per cent above the peak reached just before Congress began its study of the market.

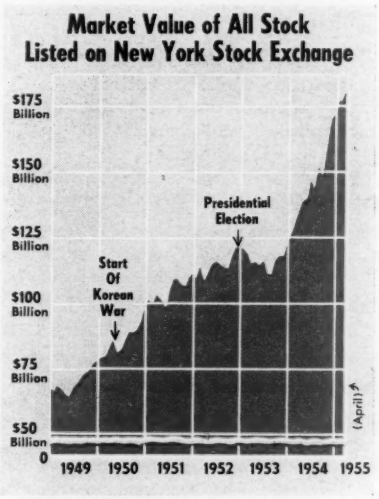
The value of all stocks listed on the New York Stock Exchange, shown in the top chart, had climbed to 181.4 billions on May 1, up 35 per cent in a year and nearly three times the level of June, 1949.

Buying of stocks since March has favored industries having a past record of rapid growth joined with good prospects for this year. Indexes of the Securities and Exchange Commission show that the largest gains between March 11 and June 10 were made by shares in paper, chemicals, radio and television, building materials, metals and air transport.

Paper companies led with a gain of 24 per cent. Paper output has mounted 12 per cent above the 1953 peak, 48 per cent above the boom year of 1948. The huge volume of goods now produced and sold in the U. S. calls for a huge output of paperboard for shipping containers. Coarse paper is widely used in industry. Heavy advertising in newspapers and magazines has created a great demand for newsprint and other printing paper.

Chemical companies followed closely with a 21 per cent gain. Production of chemicals is 7 per cent above the 1953 peak, 58 per cent above 1948. New products constantly lift sales. Biggest expansion has been in plastics, synthetic rubber, detergents, insecticides and fertilizer, synthetic fibers, petroleum additives.

Radio and television shares rose 21 per cent. Investors are impressed by the possibilities of color television, electronic control systems for factory production lines, industrial TV, electronic computers, microwave communication and various equipment used by the armed forces.



Air-transport stocks rose 19 per cent over this period. Air traffic grows year after year, is now more than double that of 1949.

Metals shares have made steep gains since March, amounting to 17 per cent for iron and steel and 16 for nonferrous metals. Steel, aluminum and copper are in tight supply. Government may give its aid to a new round of expansion in steel and aluminum.

Yields on industrial stocks, meanwhile, dropped to 3.91 per cent in the week ended June 10, lowest since 1946. That compares with 3.05 per cent on best-grade corporate bonds, a difference of only 0.86 of a percentage point.

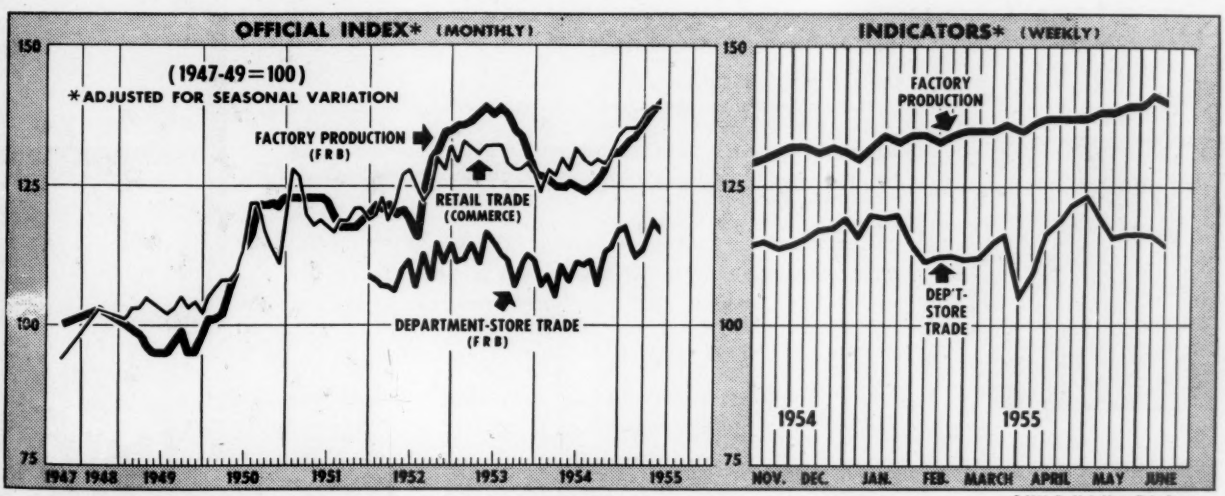
Expansive forces in the economy still have the upper hand.

Factory output, at 140 on the weekly indicator, is 1 per cent above its 1953 peak. Steel, a vital industry, is at 97 per cent of capacity.

Production costs of industry are edging up, suggesting that some price increases lie ahead. Sensitive commodities have moved up to their highest since February 25. Hourly earnings in manufacturing set a record of $1.87 in May. This year's wage settlements are more generous than those of last year. To offset higher wage costs, the steel industry will probably increase its prices.

Adjustments in auto production and home building, long expected, have been mild so far. Builders started homes at a rate of 1.3 million per year in May—7 per cent below the first-quarter average. The auto industry early in June was producing cars and trucks at a rate 16 per cent below the rate late in May.

A steady diet of good news has nourished the market recently. The higher prices go, the more dependent stocks are on good news and the more vulnerable they become to any sudden blow to confidence.



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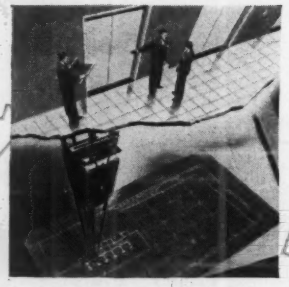

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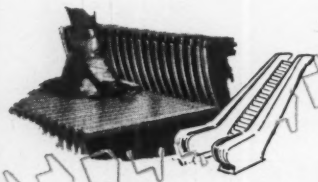

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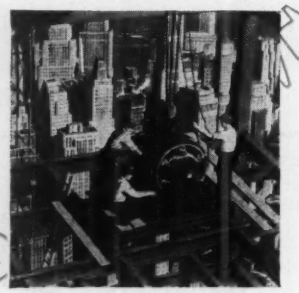

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The boom is reaching up toward new heights--no doubt about it.

New records are to come in production, sales, individual incomes.

Total output--the gross product--started the year at an annual rate of 370 billions. The rate is higher now. It's being freely predicted that it may hit a 380-billion-dollar clip before year end.

Pace of the boom is expected to slow down this summer, particularly in the auto and steel industries. But the summer slack is quite likely to be less than usual, and a pickup in the autumn now seems assured.

You can see from official figures how the boom is broadening out.

Production gains in May centered in industrial equipment, household goods, metals and building materials. Steel output is running at record volume.

Auto industry, which started the climb, held even in May.

Continued gains also were recorded during the month by manufacturers of textiles and clothing, chemicals and paper.

Industries in the soft-goods lines now are producing at a record rate. Their output is running about 2 per cent above the 1953 peak.

Producers of hard goods--officially called durable-goods industries--are not back to their 1953 peaks, but there is a difference today. Defense production accounted for a lot in 1953, and it's down considerably now.

If you want figures to measure the boom, here are the official estimates of the Federal Reserve Board:

Total output of industry hit a new high at 138 per cent of the 1947-49 average. Previous high was 137 per cent in 1953, in May and July.

Increase in total output amounts to 12.2 per cent over nine months.

Durable-goods industries are at 153 per cent, chalking up a 3-point gain from April to May. Advance from the low point in July, 1954, comes to 17 per cent. The 1953 high mark was 157 per cent.

Nondurable-goods industries, at a record in April, advanced another point in May to 126 per cent. The nine-month gain is 10.5 per cent.

The upsurge in production is reflected in nearly every line of activity. That's why the boom is judged to be on quite a solid base.

The free-spending mood of individuals seems to be still running strong. Department-store sales in May and early June held close to the high April rate, after making allowance for seasonal changes. Total retail sales during May held at the peak attained in April.

Hiring plans of major employers point to continued high activity.

Among key employers in 149 of the largest centers, three fourths told the

(over)

Labor Department that they will need more help through mid-July.

Job gains are indicated in manufacturing and other lines, with the emphasis on seasonal activities, such as outdoor work.

Auto production is expected to taper off in the next month or two, but job losses in this industry are expected to be small. Overtime will be cut.

In other fields of industry, job openings are expected to continue, though perhaps at a slower pace than in recent weeks.

Employment, however, is expected to rise more than unemployment is likely to fall. Reason is that the labor force swells in the summer and probably will not be fully absorbed. Also, some industries expect to curtail for vacations.

Employment conditions continue to show improvement.

Latest tally by the Labor Department shows jobless totals to be lower in 130 of the 149 major areas. That improvement has occurred since early spring.

Sharp drops in unemployment rolls are reported for such important centers as Buffalo, Cleveland, Denver, Detroit, Kansas City, Milwaukee, New Orleans, Seattle, San Francisco-Oakland, and Washington, D.C.

Officials now find only 16 major centers where there is a considerable surplus of labor; 19 where there is a moderate surplus. In no place is labor in tight supply, but employment is near balance in 114 centers.

In some areas, the boom shows signs of leveling out.

Private-housing starts rose to 132,000 in May from 127,000 in April. The increase was less than usual for this season of the year.

Annual rate of home construction for May slipped fractionally from April. At roughly 1.3 million starts a year, it compares with 1.4 million for March.

Home building, however, is still running well ahead of a year ago.

Contract awards for home construction also slipped a bit in May, after seasonal adjustment. But, even here, awards ran 22.5 per cent ahead of a year ago. Outlook still is for a substantial amount of home construction.

Federal Reserve Board shows signs of believing that the boom needs some restraint. Board is not moving to increase the supply of credit.

Banks that are members of the Federal Reserve System had average borrowings of 450 million dollars from the System in late May and early June. Banks borrow from the Federal Reserve when they need money to make commercial loans.

Borrowings were only about 50 millions less than excess reserves. It is the excess reserves that measure banks' ability to extend new credit.

The Federal Reserve can ease or tighten bank reserves at will. The fact that the FRS allows reserves to tighten is a sign that officials doubt that the boom needs much additional credit to keep going.

Interest rates, as a result of Federal Reserve policy, are expected to go a bit higher in the months ahead. That's the expectation of bankers.

Mortgage terms already are tending to rise in some areas.

Problem now, as officials see it, is to keep the boom from generating excesses in speculation, credit, or prices. There is no sign of such excesses yet, but you can expect the money managers to keep a close watch.

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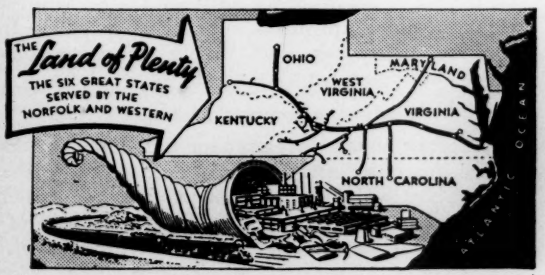

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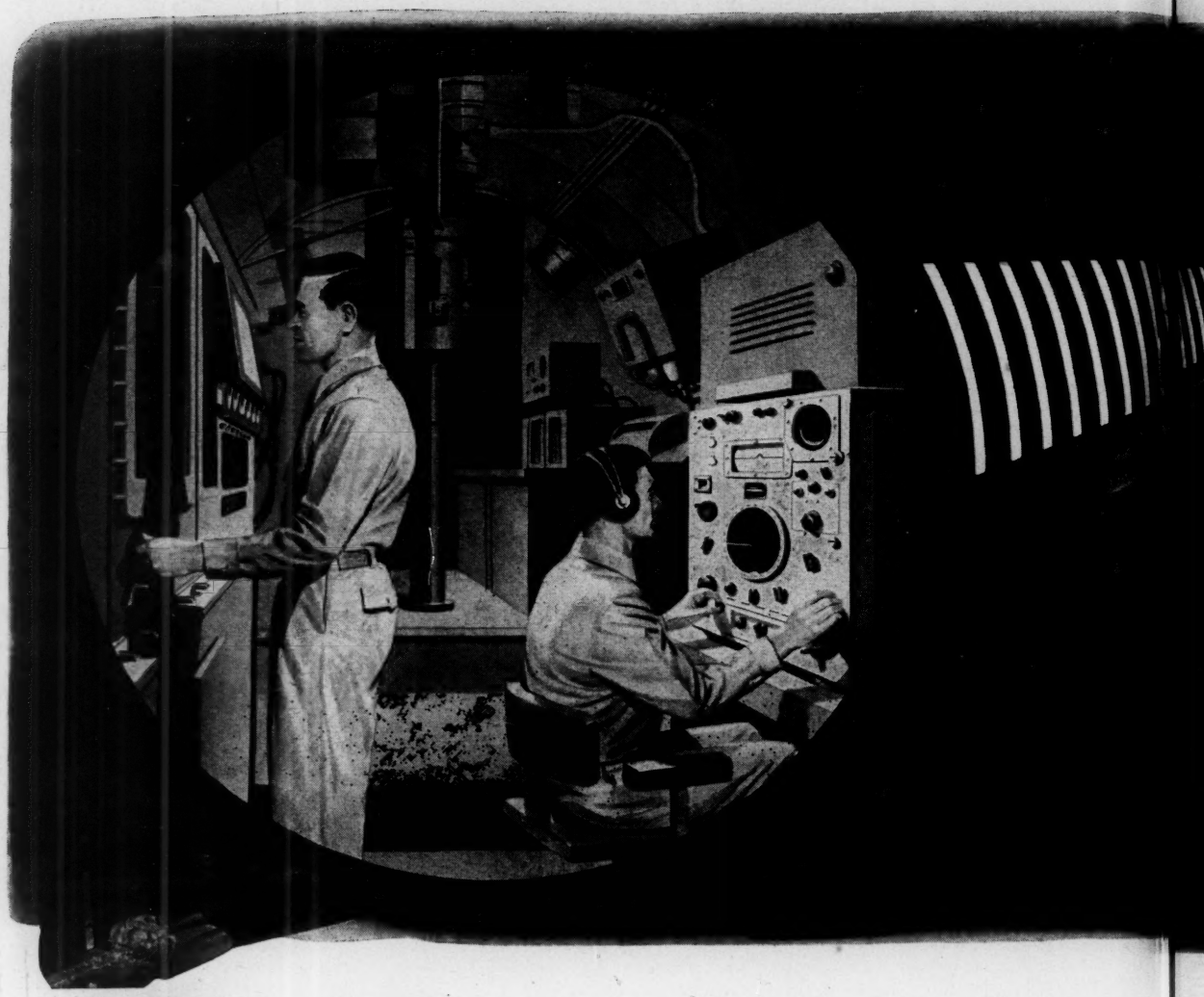

Bendix Sonar developments electronic ears for our

CRUISING deep in the ocean, U. S. submarines can locate and torpedo their prey with the help of supersensitive electronic ears. This is sonar, the underwater radar equipment which our Pacific Division has designed for the U. S. Navy.

With this advanced electronic equipment, U. S. submarines are continually on the alert for other submarines and ships. In operation, Bendix sonar sends out ultrasonic sound signals through the water. These bounce back from any submerged object. The Bendix equipment, essentially a highly accurate electronic timing and computing machine, indicates and records the exact distance and direction of the object, enabling the submariners to aim their torpedoes accurately. Sonar has other applications.

Underwater Telephone

Pacific Division engineers have applied sonar techniques to many other advanced uses. Underwater telephone communication, submarine detection from a hovering helicopter and highly sensitive listening devices are being supplied to the U. S. Navy.

Locates Fish

Another sonar development pioneered by Bendix is the famous "fish finder." Commercial fishermen around the world as well as private yachtsmen use Bendix Depth Recorders to locate schools of fish, accurately determine depth and for navigation.

provide underwater navy submarines!

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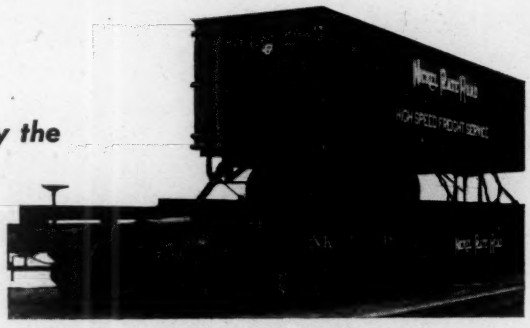

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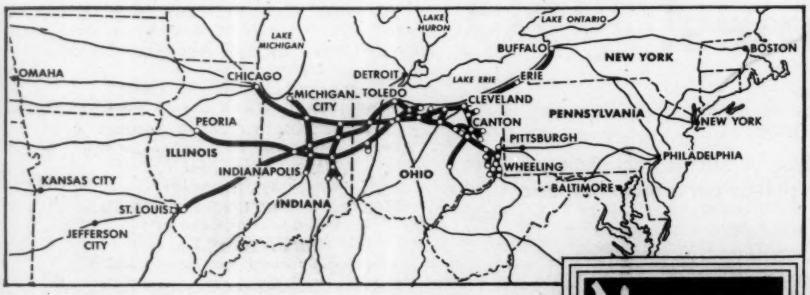

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We've Been Asked:

WHAT UNIONS REALLY WANT

- **A look at what Walter Reuther asked for—and did not get—gives some idea of future demands in the auto industry.**
- **UAW chief hasn't given up his plan for a guaranteed annual wage.**

Was it really a guaranteed annual wage that the auto workers got?

No. The settlements of the Auto Workers Union with both Ford and General Motors turned out to be a compromise. The union got far less than it originally asked for.

What is it the union is after in the long run?

The union wants—as set forth in the original plan—a real guaranteed annual wage. This calls for workers to be assured of their regular pay for 52 weeks in a year, regardless of whether they work or are laid off. Later, in negotiations with Ford, UAW president Walter Reuther reduced the guaranteed-pay proposal to 80 per cent of regular pay. Finally, he settled for less.

How did the final plan differ from the original demand?

Under both the Ford and GM setups, after they begin to operate, laid-off workers can draw unemployment pay for up to 26 weeks of idleness—which is only one half of the time in the proposed "annual" guarantee of 52 weeks. Also, to start with, the worker could get 65 per cent of his regular take-home pay—that is, of pay after taxes. This would drop to 60 per cent after four weeks.

Part of these weekly payments would come from present State unemployment agencies; the rest would come from the companies, from special trust funds to be set up. The union was pleased with this settlement insofar as it recognized the principle of a guaranteed wage for 26 weeks and opened the way for later increases in benefits. But the union did not get what it originally proposed—a much less limited company obligation.

How is a company's liability to be limited?

In the final agreements, each company's liability for unemployment payment is limited to 5 cents an hour per worker paid into the unemployment trust fund. When money in the fund runs out—or becomes very low—payments under

the plan would stop, to allow the company to build up the reserve again.

Under UAW's first proposal, a company would pay part of the cost of the unemployment benefits out of current income, with the rest coming from the trust fund. That would not have placed a limit on a company's liability. During negotiations, the union modified this feature.

Did Mr. Reuther win in regard to when the guaranteed-wage plan was to start?

No. The UAW bargainers wanted to get the program under way almost immediately. Instead, no payments will be made by the companies under the program before June 1, 1956. And payments are not at all sure by then. First, some States must approve the system under which an idle worker can, at the same time, draw both unemployment pay from his company and unemployment pay from a State agency. That might require changes in some State laws. Failure to get this State approval could mean the guaranteed-wage agreements would be voided.

Would a worker get paid for the first week he is laid off?

No. His pay would start with the second week. Mr. Reuther lost out on this point, too, as he thought the pay should cover the first week of idleness.

Did the union give up on any other demands for pay while not working?

Yes. The union asked for a "40-hour-week guarantee." This meant that a worker would have received pay for a full 40 hours in any week when he was called in for work, even though he did not put in a full week's work. But this feature was dropped during the bargaining. It might come up again later.

Can workers draw pay while on strike?

They cannot. Mr. Reuther agreed that there be no unemployment pay for workers where there is a strike, slowdown or work stoppage. Also, workers who are laid off for disciplinary reasons will be disqualified for payments under the guaranteed-wage contracts.

When will the union try for larger benefits?

The contracts with both auto companies are for three years. That means it will be mid-1958 before the UAW can try to improve this guaranteed-wage plan. Before Mr. Reuther gets another chance in three years, there may be other unions that will try for—and possibly get—agreements that call for something nearer to a full guaranteed annual wage.

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BUDGET AGAIN DEFYING IKE

He Finds Many Cuts Dangerous, Others Impossible

THE REAL PROBLEM OF THE BUDGET IS THIS

Here, Ike can't cut—

	The President plans to spend this much in year ending June 30, 1956
Interest on debt	$6.4 billion
Veterans' pensions, compensation, other benefits	$3.8 billion
Grants to States for relief to needy	$1.4 billion
Farm price supports and conservation payments	$1.5 billion
Highway grants	$ .7 billion
Unemployment pay	$ .3 billion
Other programs	$ .7 billion
TOTAL	$14.8 billion

Here, Ike finds it very hard to cut—

Military services	$34.0 billion
Foreign military aid	$3.1 billion
Atomic weapons	$2.0 billion
Stockpiling	$ .8 billion
Other national security	$ .6 billion
TOTAL	$40.5 billion

Here, Ike could make cuts—

Nonmilitary foreign aid	$1.2 billion
Power projects, reclamation, other natural resources	$1.0 billion
General Government	$1.0 billion
Aids to transportation, communication	$ .9 billion
Other services to veterans	$ .8 billion
Other aids to farmers	$ .8 billion
Social Security, health, welfare	$ .6 billion
Education and general research	$ .3 billion
Other	$ .6 billion
TOTAL	$7.2 billion

SO: About 24 cents in each dollar of spending is out of reach—can't be cut. And 65 cents in each dollar can be trimmed only with serious risk. Only in the 11 cents left in each dollar is there real room for cuts.

Basic Data: Budget Bureau

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A budget balance is turning out to be an elusive goal for President Eisenhower.

Savings made so far are enormous. But where to find still more savings is a question that perplexes the Eisenhower team.

Most moves to cut spending are out of bounds—barred by law, or by national needs that the President respects.

The task of reducing the huge federal budget, President Eisenhower is finding, is becoming tougher every day. New savings, achieved through spending cuts, are getting smaller and smaller—are, in fact, nearing the vanishing point.

In his first full fiscal year in office, Mr. Eisenhower whacked 6.5 billion dollars off the spending schedule. In this second year, he and his aides have found 4.3 billion of savings. For next year, they foresee additional savings of only 1.1 billion.

The total of these savings, nearly 12 billions, is admittedly impressive. But new reductions that must be made if the budget is to be balanced without additional revenues are proving hard to find.

The problem. What Mr. Eisenhower has discovered is that all but a small fraction of the budget is out of the President's reach. A White House decision to spend or not to spend is ruled out on either legal or practical grounds.

About 14.8 billions, or 24 cents of each budget dollar, goes for activities over which the President has little if any spending control. These are outlays called for by law. No President is going to consider withholding veterans' disability payments, interest on the debt, or price supports voted by Congress.

Even Congress has no practical control over some of these outlays, once programs are set. Grants to States for relief to the needy rise and fall with recession and prosperity. Price-support outlays depend on decisions by farmers, on family incomes that go for farm products, and even on the weather.

The rest of the budget dollar, in theory, is under White House control.

(Continued on page 120)

BROADER INSURANCE FOR BUSINESS HAZARDS

from America's Leading Independent Market for Casualty Insurance—

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Below, for example, are two important and often-overlooked business coverages, pioneered by Indemnity Insurance Company of North America, which are typical of the many. They were especially designed to cover specific needs for which standard insurance was not then available. We invite you to discuss your business insurance program with your Indemnity Agent, or with your own Broker.

Valuable Papers and Records Policy—Provides for the restoration of your records, including accounts receivable, in the event they are destroyed, stolen or burned. How long could *you* continue in business without your records?

Money and Securities Policy—Specific insurance is needed by every business for the cash, checks and securities kept on the premises. This is practically all risk coverage that reimburses you in event of their loss, destruction or disappearance.

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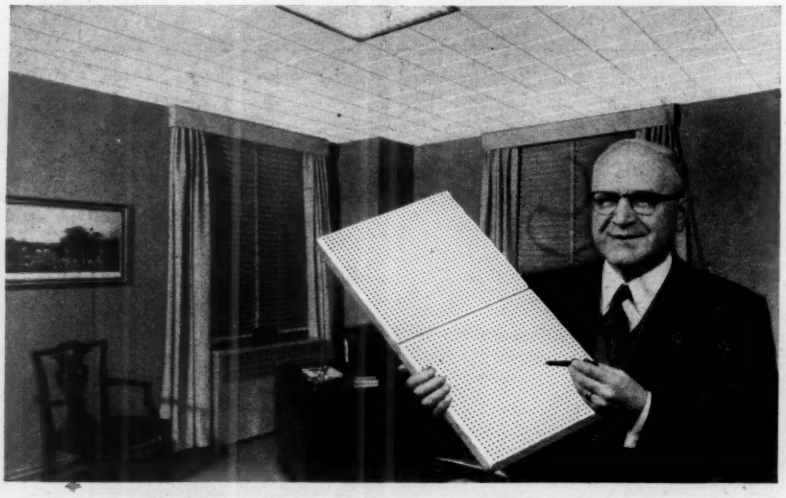
Jimmy Savo wows 'em with silence. Theater and TV audiences greet his wordless antics with gales of laughter. If office workers could perform as quietly as the famous little pantomimist, there would be little need for office sound-conditioning. But people *do* talk. And the noise of clattering typewriters and jangling telephones puts nerves on edge . . . lowers efficiency. The solution? A Gold Bond Acoustimetal ceiling.



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Big savings in defense are about at an end . . .

Yet, for the 65 cents that goes for defense out of each budget dollar, Mr. Eisenhower's control is more legal than real. Defense costs about 40.5 billions. Reductions, as the former General knows, entail risks.

Only in the rest of the budget is the President really free to swing the ax. This part, however, is only 7.2 billion dollars, or about 11 cents in each dollar of spending. And every fraction of a cent in that category has powerful backers in Congress and millions of voters who strenuously resist reductions.

Where to cut. In this situation, Mr. Eisenhower is being forced to seek cuts in the same activities that have yielded savings before.

So far—through the year starting July 1—the President has slashed defense spending by 9.8 billion dollars, or nearly a fifth. But this was achieved partly through an end to war in Korea. For the year starting July 1, the budget shows new savings of only 186 million on defense. And now, even as a "tide" is officially noted in the direction of peace, news of Russian advances in air power is sending officials to Congress with urgent demands for more money.

Greater efficiency, moreover, is no longer being promised as a device to be used with profit on defense programs. When the Administration took office, Secretary of the Treasury George M. Humphrey found a 20-year "inheritance" of "easy spending" and "extravagance." Since then, the Administration has reported real progress in rooting out waste. Yet it has been many months since officials noted that extravagance still offered opportunities for big savings.

Officials, in fact, are warning that further major savings on defense programs are not to be expected soon.

"Normal" programs. That leaves the President room to operate only in the regular or "normal" peacetime programs that remain under his authority. In this area of Government, Mr. Eisenhower has trimmed off one dollar in every five of spending.

The biggest percentage cuts of all, in fact, have been in this category—the one that includes public power, other public works, nonmilitary aid to other nations, the postal service, health, welfare, education and the like.

Further savings on these programs, however, appear to be harder and harder for Mr. Eisenhower to find. Government will spend more money on these services in this year ending June 30 than it spent last year. And cuts sought for next year come to well below half a billion dollars.

. . . Where President could cut, budget isn't big

Even where no strong resistance is arising, Mr. Eisenhower is having trouble in paring these regular programs. The trouble is that no one of these services in the "controllable" group really takes much money.

Look, for example, at what Mr. Eisenhower finds when he examines the entire cost of "general Government"—the category that includes all tax-collecting activities, all federal law enforcement, many of the bureaus that regulate business, and all routine operations of the White House, Congress, the courts and dozens of departments and independent agencies. If all of these activities were scrapped, the savings would be only 1 billion dollars.

You see what Mr. Eisenhower is up against when you note what has happened to all federal spending except defense, interest on debt and veterans' programs—all, that is, except outlays resulting from past wars or threats of future wars. If allowance is made for increases in prices and salaries, these other programs are getting considerably less support than they did back in 1939.

This, really, is the President's big problem. Lacking further elimination of waste, the Administration can effect new savings only by lowering the nation's defenses, or by cutting back services that already have been severely shrunk. Neither choice appeals to Mr. Eisenhower.

Tighter Rules For Estate Tax?

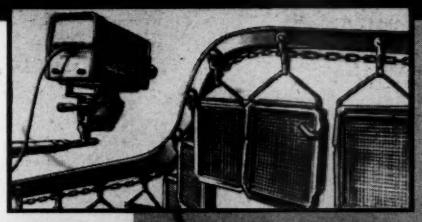
Another of the important relaxations of tax law in last year's new Internal Revenue Code may be revamped, possibly canceled.

Until the 1954 change, a man who took out an insurance policy on his life and signed it over to his wife as a means of paying the estate tax at his death was likely to find that the value of the policy itself would be included in his estate. It would have been if he had paid the premiums on the policy. So a policy bought to cover the estate tax actually boosted the tax.

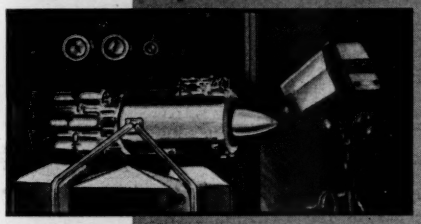
Last year, Congress dropped that premium-payment test. The new law says you can give such a policy to your wife, pay the gift tax if any, and go on paying the premiums—the policy will not be included in your estate and taxed. But the policy is supposed to be signed over irrevocably.

(Continued on page 122)

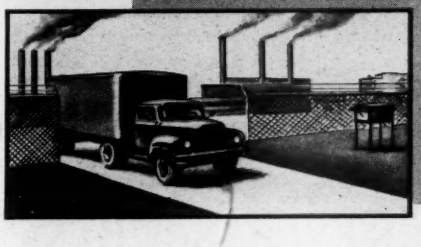
LET DIAMOND UtiliVue INDUSTRIAL TELEVISION SYSTEM Do the "WATCHING and WAITING"



"UtiliVue"—Industrial Wired Television can solve the problem of coordinating conveyor loading to avoid pile-ups and lost time. Any number of points may be watched simultaneously.



Processes which are too dangerous for direct observation may be watched safely by "UtiliVue". This includes destructive tests of machines, tests of explosives, atomic operations, etc.



"UtiliVue" cameras are available in weatherproof housings which enable one guard to watch several entrances at the same time. This is particularly useful for remote, infrequently used entrances.

Many plants have "watching and waiting" jobs scattered around . . . jobs where a man doesn't do anything except watch an operation and report at intervals to a person elsewhere.

The Diamond "UtiliVue" (wired television) can do the watching and waiting, releasing manpower for more productive work. It will watch any process . . . no matter how remote, dangerous or inaccessible . . . and bring a clear image to the observer. It enables him to SEE simultaneously and to coordinate several scattered but related jobs . . . an advantage obtainable in no other way. There can be no mistakes in communications. Get all the facts. Get in touch with your Graybar Distributor or use the coupon below.

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The **Philippines**

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INVESTMENT LAW AND INDICATED APPROVAL OF REVISED
PHILIPPINE–U.S. TRADE AGREEMENT BRIGHTEN LONG
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*CHARLES B. LOVE

*One of our many officers constantly traveling abroad in behalf of the Bank and its customers.

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First in circulation growth

With more than 725,000 net paid circulation weekly, "U. S. News & World Report" is the *only* major weekly magazine which has doubled its circulation in the last seven years.

. . . Change in estate-tax law would affect thousands

The Treasury Department, apparently never entirely satisfied with the new language of the law, is considering a request for a tightening of that language.

Trouble spot is in the area of life insurance trusts. There's little criticism in the case of a man who makes an outright gift of a policy to his wife. But the man who puts a policy in trust for his wife still can exercise some control over what happens to the proceeds. The transfer may not be a really irrevocable gift. Yet it can qualify as such a gift, and thus make the policy exempt from the estate tax.

The Treasury Department wants to tighten that rule, though no action is planned until next year.

Whether changes would be retroactive is not decided. In any case, revisions can snarl plans for thousands of individuals who rejoiced at the new rule.

Savings bonds. There's still no lag in sales of U. S. savings bonds. Individuals now own 39.2 billion dollars' worth of series E and H bonds, a new high. May sales, at 419 million, scored a 19 per cent gain over those of May, 1954. In five months of this year, sales exceeded 2.4 billion. Bonds cashed in totaled 1.9 billion.

Old-age pensions. Majority leaders of both houses of Congress are reported to be hopeful that this session of Congress can get through two major changes in Social Security. Plan is to drop the age requirement for women beneficiaries —wives, widows and workers—to 60 or 62, from 65 now, and to provide pensions for workers who are disabled, whatever their age.

Tax Deadlines Coming Up

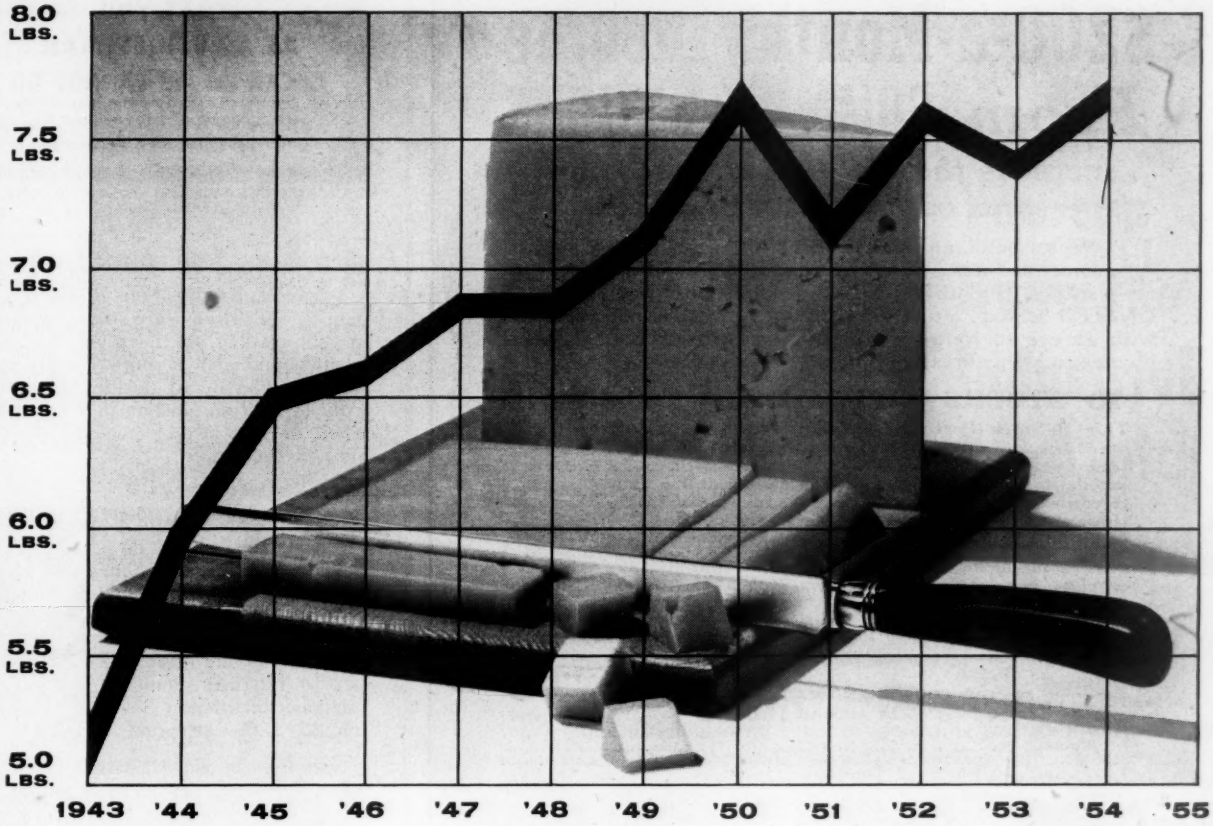
JUNE 30

- ***Manufacturers, retailers,*** others deposit excise taxes for May if more than $100.
- ***Gamblers, bookmakers*** pay tax on wagers accepted in May, form 730.

JULY 15

- ***Executors*** pay second installment of 1954 estate income tax.

AMERICA'S DAIRY INDUSTRY IS ON THE ROAD TO SALES



Cheese sales again hit all-time high in 1954—

7.7* lbs. per person!

Last year, the average American ate 7.7 pounds of cheese. That's two-thirds more than he ate just 10 years ago.

One reason for this tremendous change in eating habits is that cheese is now more readily available through the self-service dairy case of the food market.

Not many years ago much of the cheese was sold right off the top of the grocer's counter. The American Dairy Association has helped to promote wider use of the modern dairy case since the first days of its development. To support this important new kind of grocery selling, the association has carried on an intensive and continuing promotion campaign to boost the sales of cheese and all dairy products.

For example, the American Dairy Association sponsors the October Cheese Festival, which food retailers say is *the most successful food promotion in America.* That's just one illustration of how American Dairy Association, financed by the dairy farmers themselves, is helping to raise the nutritional standards of America—and, incidentally, the economic standards at the same time.

*Dairy Situation, USDA, Feb. 21, 1955.

AMERICAN DAIRY ASSOCIATION

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This message is paid for by dairy farmers across the nation as part of their program to show how you can live better with foods made from milk.

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NEWS-LINES

WHAT YOU AS A BUSINESSMAN ☑ CAN and ☒ CANNOT DO

as a result of recent court and administrative decisions

☑ **YOU CAN** probably get the National Labor Relations Board to postpone a ***collective-bargaining election*** in your plant if you have just started in business and plan to employ many more workers. The Board decides it was too early to hold an election in a new plant where only 96 of an expected 750 workers had been hired.

* * *

☑ **YOU CAN** obtain a special ruling from the Treasury on whether a particular organization qualifies as a ***charitable organization*** for tax purposes. This is explained by Internal Revenue Service in issuing a list of qualified charitable organizations—IRS Publication No. 78. Inquiries should be sent to Commissioner of Internal Revenue, Washington 25, D.C., Attention T:R:PEO.

* * *

☑ **YOU CAN** get additional information about what factors to consider in figuring a declaration of ***estimated tax*** from a revised ruling just issued by the Internal Revenue Service. Copies of this Revised Ruling 55-348—which answers a number of questions about tax declarations—are available at offices of district tax collectors.

* * *

☑ **YOU CAN** avoid paying an income tax on your price advantage in exercising a ***stock option*** given to you by your employer as an interest in the business, rather than as additional compensation. This treatment is allowed by a court of appeals even though the stock's market value exceeds the option value.

* * *

☑ **YOU CAN,** as manager of a company that operates as both a manufacturer and a wholesaler, make price-maintenance contracts with independent wholesalers for the sale of brand-name products. A federal district court upholds this practice under a State ***"fair trade" law*** and the Federal McGuire Act.

* * *

☒ **YOU CANNOT,** in firing an employe after expiration of a collective-bargaining contract, refuse to give him ***severance pay*** accumulated during the

life of the contract. A State court rules that a discharged employe is entitled to such pay.

* * *

☒ **YOU CANNOT,** as operator of a ***natural-gas pipeline,*** legally charge customers near your source of supply the same rates as customers farther away. The Federal Power Commission finds such uniform rates are unduly discriminatory.

* * *

☒ **YOU CANNOT** ship certain industrial machines and equipment to any country—except Canada—without getting an ***export license*** from the Commerce Department. Items added to the list requiring licenses include nonelectric smelting and refining furnaces, certain filters, separators for chemical processing and size-measuring instruments.

* * *

☒ **YOU CANNOT,** as a ***wheatgrower,*** expect as high a price support for your 1956 crop as in 1955. The Department of Agriculture announces that it will support the price of the 1956 crop of wheat at $1.81 a bushel, or 76 per cent of parity, if wheatgrowers approve marketing quotas in the June 25 national referendum.

* * *

☒ **YOU CANNOT** get around paying an income tax on the amount that you receive in a compromise settlement of a triple-damage ***antitrust suit.*** The U. S. Tax Court holds that such an amount collected in a case involving a suit against movie distributors and exhibitors is taxable as ordinary income.

* * *

☒ **YOU CANNOT,** during a pre-election campaign in your plant, legally distribute marked, sample copies of the official ballot even though your employes may not be misled by this. NLRB sets aside the results of a ***representation election*** because an employer gave his employes facsimiles of the ballot with a large cross inserted in the "no" space.

* * *

☒ **YOU CANNOT** safely instruct one of your employes to attend a union meeting and report back to you on what happened. The Labor Board finds an employer interfered with rights of his workers under the ***Taft-Hartley Act*** by giving an employe such an assignment.

Conclusions expressed in these paragraphs are based upon decisions and rulings of courts and Government bureaus. In making their decisions, courts and bureaus consider many facts which, for reasons of space, cannot be set forth in detail. U. S. NEWS & WORLD REPORT, *on written request, will refer interested readers to sources of this basic material.*

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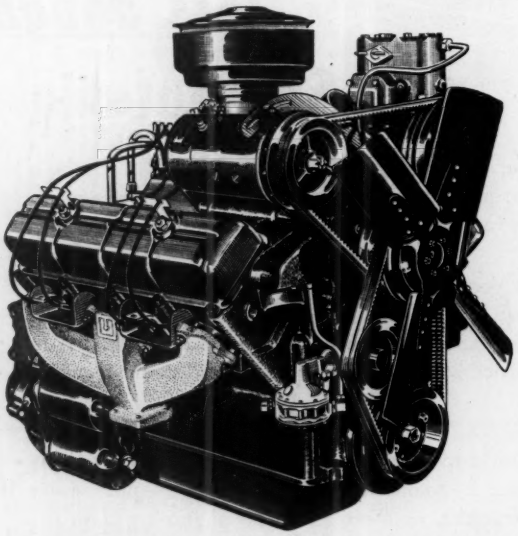

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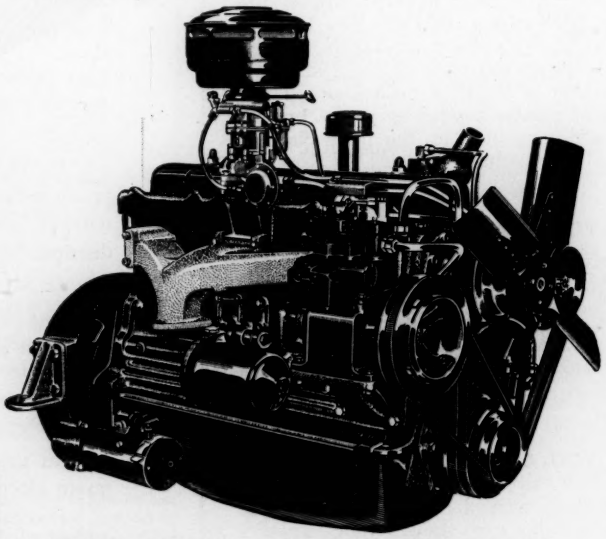

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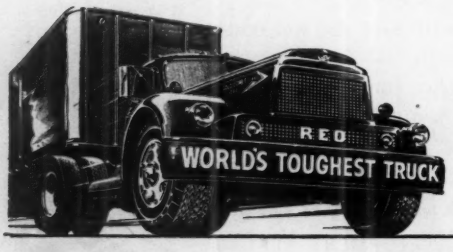
Big Brother to the world famous *wet sleeve* wonder engine used in rugged Reo "Eager Beaver" Trucks. Engineered for peak power output and efficiency. Extra power and speed, *plus* rugged dependability.



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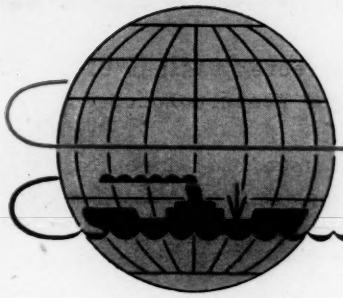

Business Around the World

BASEL • LONDON • TOKYO

>> Business in Western Europe is extraordinarily good and can get even better. But it's no time for complacency. Warning flags are flying.

This is the line taken by the highly respected Bank for International Settlements in its widely read annual report, just published.

BIS analysts go behind the figures and come up with this:

An improved psychological climate has been an important element in Europe's business progress. International political tensions have lessened in the past year. People have been able to concentrate more on business. Fears of the effects of business fluctuations in the U.S. have been submerged. Neither the U.S. recession of 1953-54 nor the boom of 1955 has really affected Europe greatly from a trade standpoint. Self-confidence has increased in Europe.

Europe's business boom has flourished during a period of declining controls on trade and exchange. The BIS obviously approves the growth in use of monetary and credit controls--the tools of the central banks. These refined types of internal controls are better suited to the times, the BIS thinks.

>> Getting down to cases, the BIS report makes these points:

Consumers in Europe have been steadily increasing their buying for three years, especially in electrical appliances and motor vehicles. Yet liquid savings are still being built up in most places.

Prices have been stable for many months. Europeans have been able to buy raw materials in the cheapest markets because of fewer trade curbs.

Commodity supplies are to continue abundant, the BIS expects. Therefore, commodity prices on world markets aren't likely to change much, barring war.

Internal inflationary tendencies, showing here and there in Europe, are so far being curbed by flexible credit policies.

But the lid does have to be kept on credit. This is especially true with full employment in most places, and industries straining to produce more.

"If inflation were allowed to reappear, with rising prices and all the uncertainty it creates, the chances of further progress would be dim indeed and setbacks would inevitably occur . . ." This is the chief warning of BIS.

Clearly, the BIS experts find the rate of European business expansion a bit dizzying. They think a slowdown, a period of consolidation, is in order.

>> U.S. exporters find their best customer, Canada, moving in the direction of more trade barriers. Canadian manufacturers have been asking for a more protectionist import policy for a couple of years.

Canada's "antidumping" laws have just been tightened. Now, countervailing duties may be imposed on imports subsidized by the exporter country or sold be-

(over)

low cost by a foreign government. These provisions are directed against U.S. farm products primarily but may be used against products of Western European, Communist or other countries.

U.S. surplus-disposal program for farm products is a specific target of these new regulations. For instance, if Japan uses U.S. surplus cotton in making textiles, Canada will apply special import duties on such textiles.

Canadian tariffs on ethylene glycol and canned mixed fruit have just been increased because of squawks of Canadian interests. These actions hit U.S. exporters. By way of compensation, Canadian import duties on U.S.-made antifreeze and canned peaches have been reduced.

Canadian tariffs on iron and steel imports are going to be investigated at the request of leading Canadian steel producers.

The Canadian Minister of Revenue now can make his own valuation of imported goods in certain cases. And no appeal against his decision is possible.

The International Trade Fair at Toronto is to be discontinued after this year. The Fair has been financed by the Canadian Government. But Canadian manufacturers demanded that this type of import promotion be stopped.

Canadian protectionism ties in directly with the troubles of Canadian manufacturers. Their wages and other costs are high. They are having difficulty competing in foreign markets. Production in many lines, such as textiles, leather goods, steel, and machinery, is recovering very slowly from last year's recession. Industrial employment in Canada is below what it was two years ago.

>> The cotton-textile industry in Britain, too, has been wailing for more protection from imports. And now the Eden Government will call for "antidumping" duties. These duties will be used especially against Japanese textiles but can be used against any subsidized exports of another country.

>> Interestingly enough, Japanese potters are fearful that the U.S., under the new tariff law, will reduce duties on earthenware imports from Japan.

If U.S. tariffs on imported earthenware were reduced, American potters would feel Japanese competition much more severely and might very well "pressure" Congress into putting on import quotas or other curbs. The Japanese would rather forego a little extra profit and let well enough alone.

To avoid charges of dumping earthenware, the Japanese Government has established minimum prices and quality standards on exports to the U.S.

But the U.S. Government takes umbrage at this. U.S. view is that such action is discriminatory, since it applies only to the U.S.

The Japanese throw up their hands at this attitude, feel they can't win.

>> Yankee dollars have had something to do with the pronounced show of strength in the British stock market during the crippling strikes.

British industrial shares shot up during the strikes to new all-time highs and then pushed even higher after the rail strike was settled.

American buying of British shares during this period is believed to have reached 75 million dollars. Reasons include these:

1. It's easier for Americans to buy British shares than it used to be.
2. The British don't have any capital-gains tax.
3. The British boom should regain its momentum quickly.
4. Most U.S. stocks of the better grade sell at pretty lofty levels.

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Helpful directions to travelers on major turnpikes is just one small reason why the green-and-white emblem renews its welcome daily.

CITIES SERVICE

A Growth Company

Number 10 of a series

PRISON DIARY OF LT. PARKS

[Continued from page 40]

each other's company. Now loneliness again was added to our lot. I always liked to be with people. Solitary confinement was my worst ordeal.

And (Good God, Tully), we discovered that the boss of the new prison was the meanest of all the guards we had ever had in the old prison. We called him Tully. He would come into our cell at any time, go through our things, take away anything he thought we shouldn't have, deny us our exercise period whenever he could, and was really tight-fisted with the food.

In our trip across town to the new prison, we passed several industrial areas which were very heavily guarded by troops armed with machine guns and watchtowers on the walls. Electrified and barbed wire fences surrounded the plants.

During our stay in the old prison we could look out from our courtyard into the street through holes in the fence, and we had seen a number of Westerners, some of them obviously Russians.

Most of the transportation in Mukden was by carts pushed by men, or heavily loaded wagons pulled by horses.

I noted a lot of activity in the air, with many jets flying over the city.

18 Rt. Life hist. to now. Future plans. Plenty to read.

An interpreter ordered me to write my life history, and describe my personal plans for the future. They gave us more things to read than we had been getting.

19 Others also?

I discovered that there were other Americans in this same prison. I could hear them talking to the guards.

20 Talk boss. Sep. to think over quest. Would be together.

A high-ranking officer, apparently the boss of the area, came into my cell and told me that Cameron and I had been separated "to think over our question" and that we would be together again sometime in the future. I didn't know then what he meant.

22 Learn (picture of fish) A 7 dwn.

The picture of a fish that I drew in my diary on this day stood for the name "Fischer," the U. S. captain, Harold E. Fischer, who was later released with me.

This was my way of recording that I had learned he was in the second cell from mine. This I discovered through our peculiar prison "grapevine." Our guards did not understand English. So when they approached our cell, we would shout at them, repeating loudly our names, and the outfits we came from. All the prisoners, all up and down the hall, would be listening at the doors of their cells, and would pick up the information. I heard Fischer shout his name, and the information that he had been shot down on April 7. Cameron was in the cell next to mine.

23 Got pipe int.

The interpreter gave me a pipe and a little bag of stuff that they called tobacco but which tasted more like alfalfa.

24 ½ hr. in alley.

The guards got really "generous" and let us walk for half an hour in a dark, narrow alleyway between two wings of the prison. This was our exercise.

° ° °

May, 1953

1 Holiday jowza

The Communists celebrate May Day and we eat dumplings—but they were 90 per cent grass.

° ° °

"We never knew what was going to happen to us . . . we were getting really desperate"

. . . "The guards never beat us, but they managed to make themselves very unpleasant, nevertheless. They were always shouting senseless orders at us, ordering us to get up if we were sitting down, or to sit down if we were standing up"

4, 5, 6, 7 I

The interpreter again. I didn't know it at the time, but he was getting me ready for a "confession."

7 2nd hd. hot bath.

This time, I was way down on the end of the line in taking turns on the one tub of hot water provided for all the prisoners. By the time I got to it, the water was really filthy.

8 Went to bed too early.

This may sound like a small thing, but the Chinese really took it seriously. We had been supposed to go to bed at 8:30, and without informing me the guards changed the bedtime to 9. Then when I went to bed at 8:30 they ordered me up and called the interpreter to scold me severely.

The guards never beat us, but they managed to make themselves very unpleasant, nevertheless. They were always shouting senseless orders at us, ordering us to get up if we were sitting down, or to sit down if we were standing up.

10 Q Fam Fr. My Fr. Yx must conf.

This was the day I finally found out what the Chinese wanted from me. They first questioned me in great detail about my family. Then they told me that they knew that I had flown across the Yalu into Chinese territory many times, and that unless I confessed to that, my case was "doubtful." In other words, confess or maybe never get out.

11 L. kick dr open.

Cameron got so angry when a guard tried to poke him through the door with an iron rod that he kicked the door open, breaking the lock. The guards, seemingly dumfounded, did nothing. His only punishment was a lecture by the interpreter and the loss of tobacco for three days.

12 I (c) WGH if no conf.

The pressure upon me for a confession had been building up steadily. Finally, the interpreter, Chang, told me bluntly that "you won't go home, ever, unless you confess." I got angry and told him I was never going to confess to such a lie.

° ° °

14 I (2) about food.

The interpreter dropped his threatening attitude and began promising better food. This was a routine switch in their pattern of breaking down resistance.

15 Lots her.

I found out somehow that there were many more American prisoners in our prison than just the four in our wing.

16 Jowdza

Meat dumplings again.

18 WGH if no spk. Must rt.

Chang turned threatening again. He said I'd never go home until I confessed, and that I had to put this confession into writing.

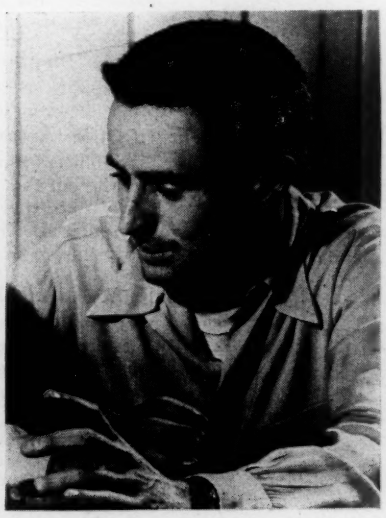
He said he would be back later in the day to pick up my written confession. I wrote nothing.

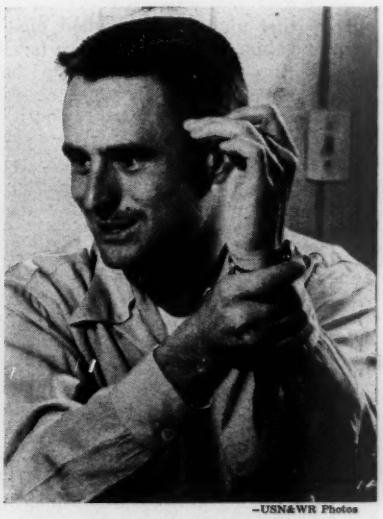
19 Wa mayo rt. C hot atten stand WGH WLL Hand cuf ord. rt.

Chang came back the next day to pick up my confession. When he found I had still written nothing, he got very angry. He ordered me to stand at attention, and told me that I not only would not go home, but probably would not live much longer unless I wrote a confession. He also threatened to handcuff me unless I wrote.

20 Wa rt. I not much conv.

Finally I told Chang that I would write anything he wanted. I asked him how often he wanted me to say I had crossed the





—USN&WR Photos

"Finally, the interpreter told me bluntly that 'you won't go home, ever, unless you confess' "

. . . "I tried singing in my cell to while away the time, and the interpreter came in and ordered me to stop"

Yalu. He then got huffy and said all he wanted was the truth. I gave up. Here they were ordering me to write lies, and then saying all they wanted was the truth. So I just wrote something to the effect that I had flown across the Yalu river a number of times. I didn't know it then, but this was the beginning of a long siege of writing under pressure.

21 Barber.

22 Chat semi Capt. Try make living bet? Given new blue suit.

Now came the old switch again. An officer, about a captain, I guess, came in and talked about making our living better, and I was given a new suit of clothes.

24 BLK "Thing would be bet."

More pacification. An interpreter we called Blackie promised that things would get better.

25 I chat

Another "friendly" chat with the interpreter.

27 Cholera Typhus shots

28 I

The interpreter again.

° ° °

31 270 days.

June, 1953

2 Bath Doc

A rare visit from the prison doctor.

3 Better chow starts

4 Cholera shot

8 I (BLK) kep jow po how Intero RM (C) 51 HIST.

I tried to save a couple of dumplings to eat later and got into trouble again.

Then that night Chang called me into the interrogation room and said, "Up until now we haven't interrogated you." I couldn't understand this, because I had been questioned so many times and so long. It made me wonder what kind of interrogation was coming now. I soon found out. It got worse than ever.

I was ordered to give exact answers to all questions and warned that all these questions must be cleared up before I could be allowed out of solitary confinement. One thing Chang demanded was the history of the 51st Fighter-Interceptor Wing, my outfit, from the time of its organization, with names of commanding officers, types of aircraft, etc. I didn't even know all this information. But they kept pressuring me, so finally, after a few weeks, I began making up stories to tell them. Fischer, it turned out, was doing the same thing—inventing stories. And the Chinese got very angry when the stories we told them were different.

10 Doc

11 I sing no good (club)

I tried singing in my cell to while away the time, and the interpreter came in and ordered me to stop. He said they would organize a club later where I could join in singing, but meantime singing was forbidden.

° ° °

15 Gd say al togeth. Volly ball, ping P. Accordion club etc. victrola (slim)

A guard we called "Slim" told us that soon we would all be permitted together, and that we could have a club, where we could play volleyball and Ping-pong, and have an accordion and a Victrola.

—Dept. of Defense

LIEUT. PARKS AS A PRISONER
"They dressed us up . . . and took our pictures"

16 Off Fr Antung Q 51 org. not rite tor up rting

An officer who had interrogated me at Antung ordered me to write out the organization of the 51st Wing. I wrote him a phony one, and he immediately recognized it was phony and tore it up. They seemed to know the right answers to most of the questions they asked us.

19 Mc sd oth hr go bk to K 10 possibly (?) News Wk Mar. HF

Andrew McKenzie, a Canadian in my cell block, said he thought there had been other prisoners here who had been sent back to a North Korean prison camp, possibly 10 of them.

When the guards were away, we used to whisper loudly to each other, from cell to cell. And this day Fischer told me he had read something about me in the *Newsweek* magazine, and that he thought diplomatic negotiations were going on to get me out.

. . . "They wouldn't let us lie on our bed in daytime, and there were no chairs in our cell. When we sat on the bed the guards made us sit up straight"

22 Bath

23 I

Interpreter again, more quizzing.

24 I & boss told how good I had it.

The interpreter and a high Chinese officer told me that I was lucky because I was still alive and being fed, and said if I would co-operate I might get home some day.

° ° °

26 M to club

That "club" they had been promising us finally was formed, and Andrew McKenzie, a Canadian POW who was released ahead of me, got to go to the club for almost an hour.

° ° °

30 I 300 days.

On my 300th day as a prisoner, another interrogation.

July, 1953

1 Trub tap wal 1 bich about sol comp change of gd Jowza shave went clb

All our guards were changed and the new guards stopped our grapevine communication by forbidding us to come near the doors of our cells. So Cameron and I started communicating by tapping out messages in Morse code on the wall between our cells. They caught us at it and soon afterward moved him out of the adjoining cell.

° ° °

6 Intro rm. cio about daily life

A new base commander questioned me about our life in the prison and asked how things could be improved. But no improvement followed.

Our diet was very poor, mostly vegetables and rice. Our daily routine went something like this: Up at 6, wash in cold water brought in by the guard. Taken by guard to latrine. Breakfast about 7. Then guards would make us sweep the floor and order us to walk around our cells. They wouldn't let us lie on our bed in daytime, and there were no chairs in our cell. When we sat on the bed the guards made us sit up straight. But some times I just defied the guards and lay down on the bed—and after a while they would leave me alone. If I weren't being interrogated, I usually had something to read.

The second meal was served about 11:30 a.m. And sometimes we got out in the alley for about half an hour for "exercise," but usually the guards "forgot" to let us out.

Dinner came about 5, then we just waited until the order to go to bed, usually about 9 p.m.

Interrogations often began early in the morning and lasted until late in the afternoon.

7 L. nt nx dr. Doc

They moved Lyle Cameron out of the cell next to mine because they learned we were communicating.

The doctor came in and gave me some medicine for my stomach, which had been giving me trouble. I had lost a lot of weight—about 30 pounds, I guess—and was very thin.

(Continued on page 134)

BACK HOME: LIEUT. PARKS WITH HIS PARENTS . . .

. . . HE LOOKS OVER HIS NEW AUTOMOBILE . . .

—USN&WR Photos

. . . AND ROMPS WITH HIS DOG AGAIN

. . . "This, amazingly, was the first tea I had been served in China. All they had been giving us to drink was hot water"

8 club tea shave

I was permitted to go to the club again, and got a cup of tea and a shave.

This, amazingly, was the first tea I had been served in China. All they had been giving us to drink was hot water. And I had always heard about "all the tea in China."

11 Jowza

Dumplings again.

13 I say liv others aft intero. I & OIC

The interpreter and the officer in charge of the prison told me I would be permitted to live with other prisoners after they had finished interrogating me.

15 Food a little bet no rice

The food improved just a little bit, and we were told we wouldn't have to eat any more rice—of which we had gotten awfully tired.

16 Bath

18 I club tea sugar

I not only got tea at the club, but they actually put a little sugar in it.

21 I club

Another trip to the club.

22 Tr with pushing Albert

A guard we called "Albert" pushed me and, without thinking, I pushed him back.

23 I (C) why

Chang came in and demanded to know why I was "attacking" a guard. But they didn't get tough about it. At this time they were trying to get me in a good mood for more interrogation.

24 Another blue suit & underwear

25 I (C) tchat

Chang came in for what he called "a friendly chat." But like most of our "friendly chats" it wound up with him stomping out infuriated at my attitude.

27 Club

29 Shave H.C.

30 Inter rm Yx rt. Q setle see oth

They started all over again questioning me about how many times I had flown across the Yalu River. They demanded that I write a confession and warned that this question must be settled before I could see the other prisoners. They just blandly ignored all our previous writings about this question. This was the way they worked. Nothing was ever settled. No matter what you said or wrote, they always came back for more.

31 Int told of armistice. outside 3 hr. Total 331 days

The interpreter brought me the good news that an armistice had been signed in the Korean war, and we began again to hope that maybe we might some day get out.

I counted up this day that I had been permitted out in the "fresh" air of the dark alley a total of three hours during the month of July. Now I had been a prisoner for 331 days.

August, 1953

° ° °

2 I POWS in G. going home Q Yx rt

The interpreter told me the U. S. war prisoners in Korea were being sent home, and said before I could go home I would have to write a confession that I had flown across the Yalu River eight times. I don't know where they ever got that figure of eight.

° ° °

8 I Personl equip cigs

I was questioned in detail about the equipment I carried when I was captured. Got some cigarettes, the first in a long time.

12 Intro rm rt L. miss

I had to write in great detail what happened on my last mission. This I was glad to do, for the truth about that mission was all in my favor.

13 Bath shave

° ° °

31 Prk relize hopes soon company exercise etc 362 days

The interpreter told me I soon would realize my hopes for the company of other prisoners and we would be allowed outdoor exercise.

September, 1953

1 I Q would be disc by P.C. of U.N. ? Carton cigs tooth paste, soap, tooth brush

The interpreter told me the question of the prisoners in China would be taken up by the "political conference" of the United Nations.

2 Finaly blk co club Hal & Lyle can live together

Solitary confinement ended at last! Hal Fischer, Lyle Cameron and I were given permission to share the same cell. We had been in solitary confinement almost five months.

° ° °

8 Blk & new buddy new schedule

Blackie brought in a new interpreter, a jovial fellow who spoke fine English. We came to call him "Happy Hank." His job, apparently, was to try to make us forget our past grievances and win our good will for the time when we would get out. He promised a new schedule of recreation.

9 I basket ball

For the first time since I was shot down, I got some real outdoor recreation. We were permitted to play basketball on a dirt court used by Chinese soldiers.

10 club

11 BB bath mirror comb

A good day. We played basketball, got a bath, and got a mirror and a comb for the first time. The only kind of

. . . "My eyes were bothering me, apparently because of a deficiency of vitamins in my diet, and the doctor came in to look at them. But nothing was done about it"

comb we had previously was a crude one we made ourselves out of bamboo.

12 Hank & Blk play bridge

The interpreters, Hank and Blackie, came in and played bridge with us.

14 Barber club better noon chow noodles

18 B.B. Food for V

We noted that they were bringing food into our wing for five prisoners, instead of the usual four. Apparently a new American had been brought in, but we never found out who it was.

o o o

—Dept. of Defense

"WE ASKED TO PLAY TENNIS . . ."
(L to R) 1st Lieut. Lyle W. Cameron, Capt. Harold E. Fischer, and Lieut. Parks

19 Itro rm Q on life hist Mom Pop my Fr. Pappy's income Rx Int "not only ones here"

They questioned me again about my life history, inquired about our family friends, asked how much money my father made. I gave them a bunch of baloney. They also went back to the old question about crossing the Yalu.

30 Doc check eyes

My eyes were bothering me, apparently because of a deficiency of vitamins in my diet, and the doctor came in to look at them. But nothing was done about it.

October, 1953

o o o

5 First rep on K war New winter clothes. BB

The interpreter read to us a long "report" on the Korean war which was actually a propaganda speech accusing the U. S. of instigating the whole thing.

6 Club

7 Sep moved to Dung "rm being fix for wintr." H.F. Tk co about M H.H. sd Hf brk rul & cause Trb. H to self rep rm

Cameron and I were moved to a new cell—a real dungeon in the back of the prison. Fischer was taken to the interrogation room. Then a few hours later, when he was brought back to this new cell for a few minutes, he told us he had been questioned about McKenzie and ordered to write a detailed report about him. Apparently, we concluded, the guards had found a note we had written to McKenzie. Then Fischer was taken away and we didn't see him again for five months. We learned later that he had been put in what they called a "self-repentance" cell, a tiny dungeon used as a punishment room.

o o o

11 Red cigs Food imp

We got a better brand of cigarettes and better food. We knew what this meant: Prepare for another interrogation. When things got better, there was always something bad to follow.

12 Club Bath

13 L. mov out "bk when ans Q last ms. Yx rt. date exactly much Tb about Sep

Separated again. Cameron was taken out of my cell and did not come back. I later found out he was taken for interrogation. Shortly after he left, the interpreter came in and told me that I would write a complete, detailed description of every time that I "violated" the Yalu River, with exact dates, times and the names of others on the flight.

14 Wrt again who resp for Yx Lyle back

This time they ordered me to write that General Barcus, the U. S. Air Force commander in Korea, was responsible for Yalu River violations. They wanted me to say that he ordered us to cross the Yalu. Of course, that was not true, and I never did write that.

Lyle Cameron returned from interrogation. He said they had demanded that he write a "confession" of crossing the Yalu.

15 Lyle out. Blk rt about treatment I have received

Cameron was taken out again for more interrogation. Blackie, the interpreter, made me write about the "good" treatment I had received in prison.

17 move back to old cell Sig papers Jowza

Cameron and I were moved back to our old cell. Then they brought in a batch of papers that we had written for them. They demanded we sign them, and they wrote in the date for our signature.

18 Blk re rt one pg Sig

Blackie brought back one page of the papers I had just signed and made me rewrite the page, then sign it again.

(Continued on page 136)

. . . "More questioning about the Yalu. The war, at this time, had been over for four months, and the questioning, instead of ending as you would expect, was actually getting worse. They seemed determined to get us to admit crimes we had never committed"

19 Club Bowza

Now that they had got my signatures, the pressure relaxed again, and I began getting a few more privileges.

21 Bowza

22 Barber

23 Bowza

24 L to club TK Chu exp why rt

Cameron was taken to the club by the interpreter, Chu, who "explained" we had to "confess our crimes to show our repentance."

25 Clb evening Chu rt miss lead Yx all mis

Chu took me up to the club and I had to write the names of the fliers who had led all the missions on which I was supposed to have crossed the Yalu River.

28 Club

31 Doc gal blood test wash blankets

A doctor and a girl came in and took some blood for testing. We washed our blankets for the first time in six months.

November, 1953

1 Supplys Happy birth Ron!

This was my 24th birthday, and, more important, we received our monthly ration of soap, cigarettes, etc.

6 winter cart pusher shoes

They issued us "winter" shoes—cheap, rubber things like those worn by Chinese coolies who push carts.

9 H H said HF cause tb take inventory & are resp for brakage rules First heat

We had kept inquiring about what happened to Fischer, whom we hadn't seen since October. Finally the interpreter, Happy Hank, told us that Fischer had been "causing trouble." Hank also took an inventory of the things in our cell and told us we would be held responsible for everything that was broken.

Finally, months after the weather had turned cold, they built a fire for the first time in the wall oven that was supposed to heat our cell. But they only kept the fire warm during the night, and in the daytime we had to keep moving to keep warm.

10 To club Yx

More questioning about crossing the Yalu.

11 T ask about Pers equip

The questioning shifted back to the equipment we carried on our last mission.

13 Club Yx 1st snow

More questioning about the Yalu. The war, at this time, had been over for four months, and the questioning, instead of ending as you would expect, was actually getting worse. They seemed determined to get us to admit crimes we had never committed.

16 Barber Bath

19 Club H.H. rep on peace negotiations read ref in Peops China

The same interpreter who had given us a propaganda "report" on the war now gave us a "report" on the peace negotiations that was just as much hooey as the war report. Again he tried to put the U. S. in the blackest light possible.

23 Shave

26 C & HH disc reps on K war

The interpreters asked us to give our opinions about their "reports" on the Korean war. We learned that if we wanted to eat, we had to conform. We just repeated their opinions and kept our opinions to ourselves.

28 H H disc. reps.

Hank returned to discuss our opinions about the war.

30 Shave Bigger serving chow (soon ended)

Our usual menu in this prison consisted of:

"Breakfast"—a dish of two types of fried vegetables. I couldn't even recognize the vegetables. Once in a great while a tiny bit of pork was cut up into the vegetables. Also either a bowl of rice or steamed bread, a doughy mixture without any flavor.

"Lunch"—a bowl of watery rice with a tiny dish of pickled turnips, or maybe a bowl of noodles.

"Dinner"—like breakfast, except sometimes—maybe once a week—we would also get a so-called meat dumpling that actually was more vegetable than meat. These dumplings, called "jowza," we regarded as a treat.

The only beverage ever served was hot water.

Saturday and Sunday we were fed only twice instead of three times.

December, 1953

1 Trb in du ben Philosopher swings. C Clb why

A mean guard whom we called "the Philosopher" kicked me and I lost my temper and started to hit him. Another guard grabbed me before I could swing and hit me a couple of times. This is the only time that I was ever struck during my entire imprisonment. The Chinese relied almost entirely on mental coercion. My diet was reduced to a bare subsistence level, and I was continually threatened with vague kinds of threats which implied that I would not be permitted to survive, or worse, that I would remain in Chinese prisons indefinitely.

3 Gal Doc another blood test Club V Discs sure sound good K Cole M Tilton, D. Shore, Bing, Perry. Old but good.

I don't know where they got them, but the Chinese came up with some American phonograph records that had been

. . . "I was interrogated intensely for long hours, frequently at night. The loss of sleep and the low diet were beginning to have their effects on me. I could feel my resistance weakening"

issued by the Army in the second World War and we played them on the club phonograph. The records were almost worn out, but they sounded good anyway. Before this we had only Chinese and Russian records.

4 Final rep on armistice & P.C. Things don't look the best.

Another report by the interpreters about the peace negotiations.

10 Club Yx what bref off said

Interrogated again about crossing the Yalu. This time the interpreter wanted to know exactly what our briefing officers told us about flying north of the Yalu. We told them that we were instructed not to cross the river—and the interpreters got angry, said they knew we were ordered to cross the Yalu.

11 H.H. should disc friendly others clb more oft

The interpreter told us when we talked to each other we should be frank, speak the truth and not try to hide anything. We could hear other prisoners being taken to the club more often lately.

12 Blk clb "Yx wht bref off sd GD Sob must rt when will it end?

Here it is, starting all over again: more questioning about the Yalu. Again they ask what the briefing officers used to tell us before a mission. I was interrogated intensely for long hours, frequently at night. The loss of sleep and the low diet were beginning to have their effects on me. I could feel my resistance weakening.

14 H tk a buddy Frank Blk Q on bref, L out Chu CO told HF dr gb 3 in K 7 in C Chu en ly Mar 8 52 W.c.

This day we got our first indication that they might be getting ready to try us as "war criminals," and they really had us sweating. The pressure now was on more than ever before.

One interpreter told Lyle Cameron that Chou En-lai, the Chinese Communist leader, had announced on March 8, 1952, that all fliers violating Chinese territory would be considered war criminals. And they charged that Fischer had dropped germ bombs three times in Korea and seven times in China, which we knew was not true. With the "war criminal" charge as an additional lever, the threats increased. I began to believe they actually thought I was a "war criminal," and that they intended to execute me.

15 Blk & Cu must help L conf I would rt. I & HF G.H. L, out to 7:30 Typ & rt Pict 801 & I P.A.

The interpreters now tried to play one of us off against the other in order to get admissions from us. They told me that I must "help" Lyle Cameron "confess." They said my case and Fischer's case were now "clear" but that Cameron still had to answer some more questions. We were wise to their game.

They questioned me all day until 7:30 at night. When I claimed I couldn't remember the number of my plane, which was 801, they showed me a picture of the plane's wreckage with the number clearly visible.

16 Out 1:30 typ & rt to 8:30 H told must help L to conf to Chu

They made me write for seven hours about these so-called crossings of the Yalu River, then told me again that I must tell Cameron to confess to Chu.

17 out 8:30 Blk & I fin 1830 out to check typ H L to rt not

Another day of interrogation about crossing the Yalu, then back after dinner to rewrite some papers.

18 L out con to Q rt

Now they let up on me and concentrated their questioning on Cameron.

19 Out make some changes for Blk editor see F soon L out to rt Will it ever end what next

They got me out again to make some changes in my papers for Blackie, who was editing the papers to suit their desires. I was told we would see Fischer again soon. Lyle Cameron also was taken out for more interrogation.

21 Barber Bath

23 H T club Blk add to paper 2 beers & sug exch. for cigs

Both the interpreters, Chang and Hank, got me into the club and demanded additional changes in my papers. I decided to quit smoking for a month and traded my cigarette ration for two bottles of beer. Our cigarette ration at this time was a carton a month.

24 L & T rt club

Lyle Cameron was taken back into the club by Chang for more interrogation. They knew how we hated solitary, so they continually threatened to split us up again. When one of us was pulled out for a session, we always feared he would not be returned but would be put back in solitary.

25 merry xmas ? Durn good food chicken, candy, spuds, pork, beer, apples

This Christmas dinner was the best meal given me since my capture.

31 The end of 1953 and a black one it was, we only hope 54 will be a happy one.

January, 1954

1 feast beer apples candy

2 jowza

3 jowza

Dumplings two days in a row, an unheard-of occurrence.

4 out of BB 30 minutes

Our first basketball in a long time. So cold we played wearing mittens.

(Continued on page 138)

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. . . "After 10 months in this prison they finally decided to trust us with a razor and let us shave ourselves"

9 Chu rules Imp at to gd

The interpreter, Chu, brought in a set of rules and told us we must improve our attitude toward the guards.

11 club se Mc w

We saw McKenzie as he walked by the cell door on his way to the club. It was our first view of him in a long time.

15 razor

After 10 months in this prison they finally decided to trust us with a razor and let us shave ourselves.

18 New barber OK civ com at Mc N 12

We were wakened at midnight by a terrific commotion down the hall. Later we found out that Fischer had escaped.

9 Club H nt in hol com at MD

We deduced that Fischer was no longer in this "self-repentance" cell because they now only brought food for three instead of four.

20 club C sanit insp clean ot rm Club 2 more insp

They told us our cell was dirty and ordered us up to the club while they made a "sanitation inspection." Actually, it was a "shakedown" of our cell. They were looking for something. I think they knew we had a knife, but apparently they didn't think to look in our straw mattress where it was hidden.

23 Giv raz C H pers sanit insp club more insp

Chu told us he knew we had a knife of some kind because we were able to cut things. So we gave him an old razor blade and told him that was what we had used. He didn't seem to believe us, and another inspection followed. They still didn't find the knife.

25 C belt ret 7 newspapers

They gave us back some of the things they had taken in the "shakedown" and gave us seven Chinese newspapers printed in English. From the few papers we got, we could get some idea of what was happening in the world, but only the Communist view of it.

26 base c & C in

The base commander and Chang came in to talk for a minute.

* * *

31 Food ? slop 515 days

The food had turned somewhat worse. Now I had been in prison 515 days. Still no way of telling what they are going to do with us.

February, 1954

2 rt of russ (H) supplies

We had been given a book about Russia to read, and now we were required to write a book report about it. We learned that this was to become the pattern for the remainder of our stay in China.

3 beer some Fd looner N yr

Beer to celebrate the Chinese lunar New Year.

4 Jowza sick

They gave us more dumplings than usual and I ate so many I got sick. My stomach was still in bad shape.

Doc bath club quite a few times.

15 (H) crak wind F& other short time

I accidentally cracked a window pane. The interpreter asked me what I was going to do about it. That stopped me. I asked him what he thought I should do about it. He couldn't seem to think of an answer, so dropped the matter.

16 eye check

23 H Q L on rad chan. Bath

Hank the interpreter questioned Cameron about a radio channel used by U. S. in the Korean war.

28 Civ Barber 543 days

March, 1954

2 Chess set, new cards, F suit

They brought us a chess set and a new deck of cards and returned my flying suit. We had been playing with an old deck of cards that we had found in a trash pile. Some of the cards were missing and we replaced them with cards we made out of cardboard.

3 Supplies

We got our monthly rations: one carton of cigarettes, one bar of hand soap, one bar of laundry soap, a tube of toothpaste.

Up until the Korean war ended, we hadn't received regular cigarette rations, only occasional cigarettes or pipe tobacco.

. . . "I had never been permitted to write a letter"

9 Blk rt letts ? sug

Blackie, the interpreter, told us that some day we might be permitted to write letters home. In all the 18 months that I had been a prisoner, I had never been permitted to write a letter.

° ° °

17 out rt Blk 10 to 8 recopy H typ wrt large no mistake

I was questioned for 10 hours, from 10 a.m. to 8 p.m. They made me recopy every paper that I had written before, putting in changes that they dictated. They ordered me to write neatly, in large letters—"and don't make any mistakes."

I had to admit, not just that I flew over the Yalu River, but that I had flown into Chinese territory and over Chinese airfields, and that I had done this on orders of higher authorities. This almost convinced me that I was going to be tried, because it looked like they were compiling official "evidence" for some kind of legal proceeding. Up to this time they had always assured us that we would never be considered as "war criminals." But it was done in such a way as to convince us that we might be handled as "war criminals" if we did not cooperate.

18 11 to 2 rt Blk

More revising and rewriting under the directions of the interpreter, Blackie.

22 Many books make list

They brought in about 200 books, and Cameron and I made an alphabetical list of them for the interpreters. These books had been brought in from prison camps in Korea and we found in many of them notations written by American prisoners. Some of these notes would be comments on the text or about the Chinese. Some would write questions, apparently hoping some other GI might be able to send back an answer. Some of the comments those guys wrote on the margins of the pages were hilarious. The books were mostly novels, including a lot of Dickens, and only a few were Communist propaganda.

25 Bath

26 Blk Chec rting

Blackie had me do some more rechecking and revising of my papers.

By this time I would have written al-

(Continued on page 140)

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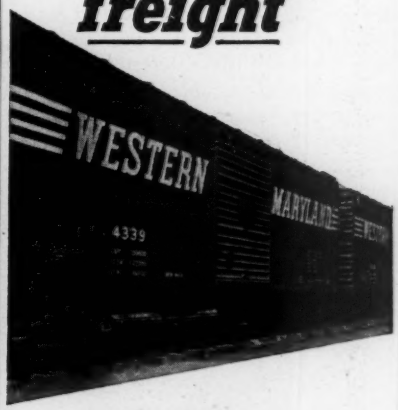

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. . . "By this time I would have written almost anything they told me. I think I would have written that I had dropped an atom bomb on Moscow if that was what they wanted"

most anything they told me. I think I would have written that I had dropped an atom bomb on Moscow if that was what they wanted. I had realized by then that you couldn't beat them. They would get you to admit something sooner or later, and it didn't seem to make any difference how long it took. From the very beginning they had a pattern of questioning that they followed, and no matter how hard you tried to resist they would, in time, get you to make some kind of an answer. They got you into a mood of complete hopelessness, where nothing seemed to matter.

April, 1954

1 No more heat

Although it was still cold, they cut off our heat.

5 H spoke L club. Blk why not joyful. Barber

Hank, the interpreter, took Lyle Cameron to the club, and while they were gone, the other interpreter, Blackie, came into my cell. He asked me, "Why aren't you joyful?" He said things were going to be better for us now. I was to find out shortly that he was speaking the truth, for a change. Things did get better soon.

° ° °

8 The big event. Together

About 2:30 p.m. Cameron and I were taken from our cells to the big interrogation room. There, to our surprise, sat Fischer. It was the first time we had seen him since last October. We were ordered not to talk. Then they brought McKenzie in. We never had seen him, except for occasional glimpses as he passed by the door of our cell. A high-ranking Chinese officer read off a statement saying that "due to the lenient policy of the Chinese in their treatment of prisoners," we were going to be allowed to live together, all four of us. They gave us free run of the whole wing that we had occupied, using one cell for a mess hall, another for a dormitory, another for a library, and another for a sort of club room. With all these books they had brought in, and the records and phonograph, and accordion, a Ping-pong table, it was just out of this world—compared, at least, to the life we had been leading.

It may have been more than a coincidence that this was just before the Geneva Conference was to begin. But whatever the reason, we were glad of the change.

° ° °

16 Movie

We saw our first movie since our capture. It was a documentary film on some kind of "peace conference" that the Communists had staged in Peking. We couldn't understand much of it, but at least we saw some white people's faces. After this we had a movie every week, mostly Chinese and Russian, also some Czech, German, Japanese and Polish. Many were propagandistic, but the propaganda was wasted on us because we couldn't understand the languages, and we enjoyed them.

17 Razor

They let us shave ourselves—one razor blade per week.

19 Speaker Peking radio

They opened up their heavy propaganda campaign with a daily "news" broadcast in English from Radio Peking piped into a loudspeaker in our library.

At this point, our hopes were really high. It looked like we might be going to get out.

21 Shave moustache

I shaved off the mustache I had been growing for months.

22 HF got lets fr home rt lets Bath

Fischer began receiving letters that his family had been writing over the last year. Up to this time, none of us had ever received any letters or any kind of word from home, although our families had been writing steadily. The Chinese just didn't deliver them to us.

Also, we now were given paper to write letters home and assured that they would be mailed.

23 Movie

25 Sun bath

26 Barber. Geneva starts. Here a great deal of hope is placed.

. . . "The propaganda . . . turned us more against the Communists than for them"

28 HF more mail. Shots

More mail for Fischer, but still none for the rest of us.

30 New suits, socks, underwear

° ° °

May, 1954

1 Gd food

The usual May Day celebration brought a good meal.

3 re rt letr to fam. new sked

They made us all rewrite the letters we had written to our families. We had told our families that we were given permission to write every two weeks—as the interpreters had promised. But the interpreters said we shouldn't put that in our letters because they might want to change that schedule. We had been very careful in what we told our families, trying to make sure that the Chinese would let the letters go through, and we didn't have to change our descriptions of prison life.

About this time the Chinese started us on a daily schedule of studies. We had to read newspapers and discuss certain articles. They kept close check on the books we read. The paper we had to read was what they called the "Daily News Release," a translation of articles from Chinese papers. It was plain propaganda, but from it we could at least find out what was happening.

The propaganda was so crude and so obnoxious that it turned us more against the Communists than for them.

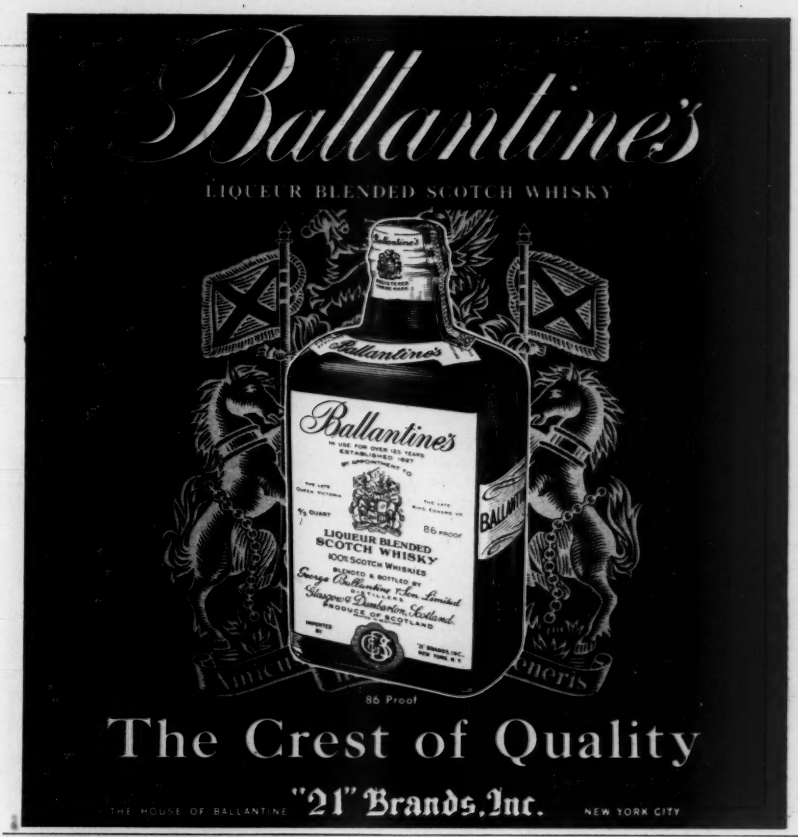
5 Base & C Stud G. C. supplys

The base commander and interpreter Chang came in and told us we would now concentrate on study of the Geneva Conference. We also read, about this time, in one of the papers that there were many Americans being held in China, and that those who had supposedly committed crimes had been sentenced. So we thought perhaps we, too, had been given sentences that we knew nothing about. But nobody would give us any definite answers about this.

6 Typhus shots

8 Bath

(Continued on page 142)



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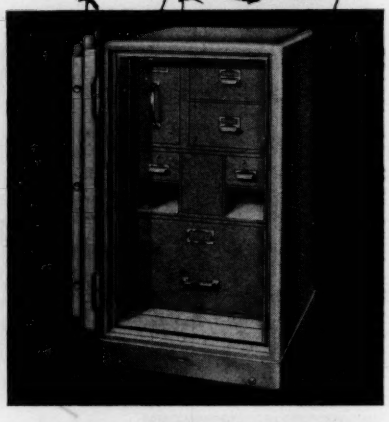

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. . . "Almost 22 months after my capture, I got my first word from home"

10 wrt 2nd ltrs

We were permitted to write home again.

* * *

22 Bath

24 rt 3rd ltrs. Took wint cloths

Wrote a third letter home and they took away our winter clothes, which we no longer needed.

June, 1954

2 A stand at out rm. Barber

McKenzie angered the interpreter and had to stand at attention while receiving a sharp lecture. Andy had told the interpreter he thought some camp rule or other was ridiculous—and the Chinese sure hated to be called ridiculous. They were very self-conscious.

3 Test

Now we were given a written test on some of the material we had read in books and newspapers.

8 Eye check

12 T back

The interpreter, Chu, who had been absent for several months, returned. We later found out he had been spending time with Lt. Col. Edwin L. Heller in a hospital in Mukden.

16 rt why think treat so gd

They asked us to write a report on why we thought we had been given such "lenient and good" treatment. That was a hard one to write, but we managed to write one that suited them.

24 H & K tk C ab rt lts to G.C. urg rel

Interpreter Chang asked me to suggest that we all write an open letter to the Geneva Conference urging them to reach some kind of an agreement that would facilitate our release. But we never did it.

28 receive first news from family telegram

On this day, almost 22 months after my capture, I got my first word from home. It was a cablegram. It said: "So very happy to hear from you and that you are well. We are all fine and anxious to see things work out so you can come home. Letters follow. Love." So I knew then that my family was receiving my letters. The Chinese never did explain why they didn't give us any of the earlier letters from our families.

. . . "Our families had written us that they had sent packages, but we hadn't received them"

30 C & CO Its urg symp. Supply inc candy tea

Interpreter Chang and the commanding officer told us that in our letters home we should urge our families to work to get us released. Apparently they just wanted to put pressure on the U. S. Government to make concessions to China.

With our monthly rations we got tea and candy, a rare treat.

July, 1954

5 Barber. New shoes. rt Ka

They gave us some real leather shoes, which we regarded as a good sign that they might release us soon.

We had to write a paper about the Korean armistice. They always told us to give our frank and honest opinions. But if we did, they would work on us until we expressed their opinion. So we had learned to just write their opinions and then they would let us alone.

14 received first ltrs from home

19 Doc fabulous new menu

The food now was excellent, comparatively speaking.

20 Got pictures taken

They dressed us up in our new clothes and fresh haircuts and took our pictures.

We had been gaining weight for some time, and looked a lot better.

August, 1954

1 Good chow. Wow

3 Heller's letter

We got a letter from Heller, who had been in a hospital for about two years. He had four operations on his injured leg. All this time he had been alone, and they finally consented to let him correspond with us. We wrote back promptly.

13 Doc. Eye check

My eyes were getting better, but still giving me a little trouble.

Now they were asking us to suggest what we wanted to do. We asked to play tennis, and they let us. We continued to play tennis right up until we were taken to Peking, in April, 1955, for our trial.

September, 1954

2 Picnick & visit park

They took pictures of us in the park—apparently the main object of the outing.

9 Shoe polish

We figured they must be preparing us for something.

19 food drp

The food began to decline in both quantity and quality.

27 mor fd drp

Still worse food.

October, 1954

7 new menu. lower std. Hal to dent

They presented a new and worse menu, explaining that due to the season of the year they couldn't get as good food as before. We noted, however, that at this particular time the international situation was looking worse.

Fischer had been having tooth trouble for two years, and now, at last, they took him to a dentist and he was given a false tooth.

15 Chu goes Pek check for packages

Our families had written us that they had sent packages, but we hadn't received them and we complained about it. So they said they were sending interpreter Chu to Peking to see what happened to the packages.

18 (?) wrot ed note in bk

We couldn't exchange any real information in our letters to and from Heller, so we started writing notes between the lines of books we knew he would be taking from our library. He would write answers on a page that we would indicate. After a while the Chinese discovered this, because we could see that they had erased a message. But they didn't say anything. Apparently they were hoping they could get some information from our notes.

26 Chow drop

30 Start moustache

The Chinese didn't like mustaches, so we grew them just for spite.

November, 1954

1 Movie on Monday. H & L doe ex for cookies & Kakes

Some of us had a few dollars of American currency that had either been

(Continued on page 144)

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. . . "We spent a lot of time looking out the window, although we had to stand on a chair to reach it"

in our possession when shot down or enclosed in our letters from home. Fischer suggested we ask the Chinese to exchange the dollars for Chinese money so we could buy some things like cigarettes, cookies and cakes. We ridiculed the idea that the Chinese would permit such a thing. But we asked, and strange as it may sound, the ultimate result was that they exchanged the money and we were able to buy some things.

6 Packages

Our first packages from home arrived —a big pile of them. Some had been mailed months ago.

10 Heat

They turned on the heat for the first time of the fall season.

23 Winter shoes

And good ones, too.

25 wine bread a durn good meal

This was Thanksgiving, and the Chinese gave us bread and wine to go with the packages we had received from home.

27 Andy goes home. Learn about spy (?)

They told McKenzie, the Canadian, that his case had been "settled" and that he was free to go home. But we three Americans stayed in prison. We were glad, however, that he was getting out and could carry home information about us.

We also read in the "Daily News Release" about the trial of 13 Americans in Peking and their conviction as "spies." This really shook us. It looked like we were going to get the same kind of treatment.

December, 1954

Feeling low. food pk up. Start accordion. Int say things look gd for us. Chang bk. Given sweater & pict alb. Xmas good chow. mor pict taken. The end of 54 and again we ask how much long can this go on. Go in talk us about case

We were in low spirits. But late in December the commanding officer of the prison came in and assured us that our cases had no relation to those of the "spies," that we were recognized as "American military personnel captured and detained in China." But he said he couldn't tell us what they were going to do with us.

January, 1955

1, 2, 3 Some gd chow. Things the same. Movies, tennis, cold. Pictures taken for sp fest

We learned in January about Dag Hammarskjold's plan to visit China to try to obtain our release. That really raised our hopes. We were now more optimistic than ever before. We figured if the U. N. representative couldn't get us out, then nothing could.

February, 1955

15 film in new rm. Think Ed in old place. Got look at Ed out of window. much commotion (?)

We hadn't been getting letters from Heller for quite a while, and figured he had been taken out of the hospital. Now, we figured, his interrogation would really begin. When they moved the movies out of the room where they were usually shown, we thought maybe Heller had been put in that room.

Then one day, as I was looking out a window, I saw Heller come out of the prison building and walk over to the basketball court. That was the first time we had seen him, but we knew who it was because he walked with a limp.

27 movie in new place. much trafic still

We spent a lot of time looking out the window, although we had to stand on a chair to reach it. We could not see the street from the window, only the courtyard. But we noticed, at this time, a lot of unusual traffic entering the courtyard. High-ranking Chinese officers were arriving in automobiles, and we figured something was going to happen soon.

March, 1955

11 Int starts. boss man here. Hal & I out for quest. Must be hitting Ed very hard

We saw a high-ranking Chinese officer come into the prison with a brief case. The same day we saw Heller taken to the interrogation room. We knew, from long experience, what that meant—that they were bearing down on Heller to get statements from him.

That same afternoon both Fischer and I were called out and asked questions about what the briefing officers used to tell us before missions, and who gave

. . . "All the Chinese people seem to be dressed the same"

the briefings. We had already gone over that ground many times.

° ° °

April, 1955

7 Great day. Ed

After dinner they brought Heller in and told us he would be living with us. He looked in pretty good condition, although limping.

8 train to Peking. left Mukden 2 p.m. arr Pek 1230 9 Sat

They came to our cell in the morning and told us we were being taken to Peking "as another step toward settling our case." We figured they were now going to try us, and from the statements they had forced us to write we figured it would be on charges of violating Chinese territory. We didn't know whether we would get long sentences or be released, as they had hinted. But we were glad to get the waiting over with.

They took us in a jeep to the Mukden station. Mukden is a big city but not at all modern, and is very crowded. People swarm like ants.

All the Chinese people seem to be dressed the same, in a sort of uniform made of cheap cotton, either blue or black.

I was surprised at the number of automobiles, which appeared to be mostly American-made cars, fairly old models. The cars seemed to be in good running condition.

There was a marked improvement in the city since I had arrived there more than two years before. There were new buildings. The streets had been fixed up. There was more traffic, and there were more signs of industrial activity.

It took us 22 hours on a very slow but surprisingly smooth and clean train to reach Peking.

Peking looked like a really modern city. It is cleaner than Mukden—not so much industry. The buildings looked newer, and there were more automobiles. In Peking, as in Mukden, you see Chinese soldiers everywhere. On every corner was a policeman, and traffic moved smoothly.

They took us to a residential section of Peking where big construction repairs were being made. They gave us very nice billets in a Chinese house that appeared typical of those which had been occupied at one time by wealthy families. But even in such a house, there

(Continued on page 146)

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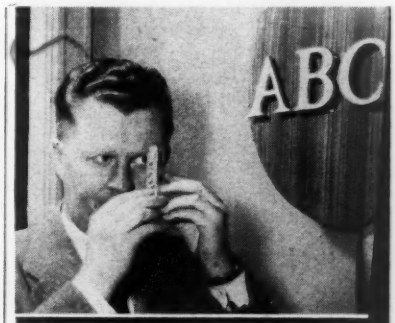

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. . . "We were convinced that our cases had actually been decided and that the trial would be merely a formality"

was no running water and no central heating system, although there were electric lights. Apparently they installed little stoves in each room for heating during the winter, but it was now warm —much warmer than Mukden—and there were no fires required.

In Peking we received a lot of back mail that had stacked up for weeks. The Chinese officials were friendly in manner, our guard was relatively light, and we could walk at will around the house and its courtyard. We thought maybe they wouldn't even try us. The Bandung Conference was getting under way and we thought they might release us to make propaganda at the Conference.

But when that plane crashed en route to Bandung, killing several Communist officials, there appeared to be a slowing down in preparations for disposing of our case.

They made us study reports of the Bandung Conference and tried to convince us that Americans had sabotaged the plane, and were trying to sabotage the Bandung Conference.

They didn't even discuss our case during April and we began to wonder how long we were going to have to wait for our trial.

May, 1955

On May 8 we were moved to a new billet, a short distance away, which had just been rebuilt and was even nicer than the first place. But still nothing happened, and we just continued with our "studies" and loafing.

Then, on May 23, a Chinese soldier walked in with our "indictment." It was read to us.

The charges were that we had "committed the offense of intruding into China's territorial air in U. S. military planes to perpetrate harassing and provocative activities, thus imperiling the security of our country and the peaceful life of our people." The indictment concluded with these words: "It is requested that they be punished according to law."

We asked when the trial would take place, but they would only say "soon."

The next day four Chinese civilians came and were introduced as our "defense counsel." They said they were instructors in a Peking law school. They spent about half an hour with us, "thoroughly" preparing our defense. The preparation consisted of asking such questions as these:

To what "class" did my father belong? (I knew the right answer to that one, by this time, so told them my father was of the working class.)

What I did before I went into the service?

Was I guilty? (I knew the only thing to say was "Yes," or I would be kept in prison.)

Did I have any "appeal" to make to the court? (I just said I hoped for "leniency." I had gathered that was what I was supposed to say.)

We were convinced that our cases already had actually been decided and that the trial would be merely a formality. As it later turned out, that was true.

At 2 o'clock that afternoon we were taken to a big Government building for our trial. They had spent nearly three years building up the case against me, and my "lawyer" had spent just 30 minutes preparing my "defense."

The trial began at 3 o'clock. They marched us in together and we stood facing a court that consisted of three military officers, all high-ranking. The prosecutor read the indictment in Chinese, then it was translated into English.

Then the other three were taken out and I was left facing the court alone. They asked me my name, rank and military outfit, and asked whether I "agreed" with the charges against me. I said, "Yes." Then they asked me if I had anything to say in my defense. I said, "No."

Both my answers were untrue, but I am convinced that under the circumstances they were the right answers to make.

After my questioning, I was seated at the right of the court and the other three "defendants" were brought in, one at a time, to go through the same procedure.

Then my defense counsel made his "plea." You could imagine my surprise when my own lawyer opened up by saying that he couldn't help being indignant at the "crimes" that I had committed, and that the evidence against me was "irrefutable." He sounded more like a prosecutor than a defense attorney. But finally he got around to asking for clemency on the ground that I was only 22 when I committed these "crimes" and that I was only "acting on the orders of superiors." He also emphasized that I "had fully repented" of my "crimes."

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. . . "I was free"

After all the defense counsel had spoken, the court took a 15-minute recess and came back with a long typewritten verdict, in both Chinese and English, that must have been prepared days in advance. The whole trial had lasted about two hours. The verdict, as expected, was "guilty." The sentence was: "To be deported immediately." No words ever sounded sweeter to me. It was the best sentence I could have hoped for.

We left Peking two days later, after being given sightseeing tours of the city, and went by train to Wuhan on the Yangtze River.

The river at Wuhan had overflowed the year before, but the city had been saved from flooding by a big flood-control project that the Chinese had recently constructed, with dikes and dams that were said to extend all along the Yangtze and the Yellow rivers. We could see some of the projects and they looked very good. We also saw a new rail bridge being built across the Yangtze at Wuhan. But we still had to cross the river by ferry. Then we took a train to Canton, arriving on the afternoon of May 29.

Canton seemed a comparatively modern city. All along the route, from Mukden to Canton, we had seen a lot of construction in progress. In the countryside, rice was growing everywhere. The people looked well-fed.

We spent two nights in Canton, in a newly constructed building, and were taken on a tour of the city. At the monument to martyrs of the 1911 Chinese revolution, there were stones inscribed with dedicatory messages from Chinese groups in other countries. I was surprised to see one from the Chinese in Omaha, my home town. It had been sent years ago, when the monument was built.

We saw in Canton a beautiful new swimming pool, where they had just held national swimming contests. They also took us through one of the city's biggest department stores. The store appeared well-stocked with basic items and also contained some luxuries, although not in great variety. There were radios but few other electrical appliances. We had some money that our folks had sent us, so we bought some souvenir Chinese vases.

On the morning of May 31 we left Canton by train and after about a four-hour ride we reached the Chinese border, near Hong Kong.

Now, after 33 months of imprisonment, I was free.

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ANNIVERSARY OF A HOPE

BY DAVID LAWRENCE

IN THE TEN YEARS that have elapsed since the United Nations Organization was founded at San Francisco, the world has witnessed the rise and fall of a great hope.

With a tendency toward over-simplification of an historic problem, public opinion in 1945 delegated to the United Nations the task of preventing war and assumed that the words of a written charter would be self-enforcing.

We have witnessed in ten years many instances in which the influence of the United Nations has been brought to bear on international disputes. Sometimes the very existence of the machinery of negotiation and mediation has served to give time for cooling the passions of war. Sometimes the United Nations has exercised a direct and effective intervention—but mostly in the quarrels between smaller states.

The major experience, of course, has been in Korea. Led by the United States, the forces of 12 nations, acting in the name of the United Nations, pushed back the North Korean Army which had been furnished sinews of war by the Soviet Government. Then came intervention by the armies of Red China. The casualties were counted in the hundreds of thousands. Soviet Russia, a member of the United Nations Security Council, openly boasted of her part in supplying munitions and airplanes to carry on the conflict.

Here was an act of faithlessness which killed the United Nations as an instrument for the enforcement of peace thereafter by military measures.

The United Nations ceased to exist as a military alliance when it accepted an armistice in Korea in 1953 without having punished the aggressor and without having expelled from its ranks a traitorous member—Soviet Russia.

The United Nations, however, has continued to be and will continue as an instrument of peace in a different capacity. Instead of mobilizing military manpower, the United Nations must inevitably mobilize the moral force of mankind.

For in truth what we have discovered is that the United Nations Charter is not in itself a means of preventing war or of making peace. Rather it is the morality of the members themselves, or the lack of it, which can make or unmake the peace of the world.

As long as the United Nations can maintain a forum for debate—a means of compelling public discussion of any question which threatens the peace of the world—it will remain a useful and practical organization.

There can, of course, be no federation of governments with an organized discipline over sovereign states until international morality has reached a higher level than may be observed today.

International immorality nowadays is far more evident than international morality. Statesmen find ways to avoid passing judgment on the misbehavior of aggressor governments. There is a tendency to refrain from imposing a sentence of guilt on governments that have betrayed their pledges and have disregarded the provisions of the United Nations Charter.

The art of diplomacy today seems to be constantly one of saving face for somebody. The Red Chinese government, for example, has committed all the crimes in the law books of nations. But, bowing to the temptations of expediency, many otherwise moral governments blind themselves to the real issue and argue for admission of the Red Chinese aggressors into the United Nations.

Granted that the war in Korea resulted in no victory for either side and that the aggression was halted at the place where it began, the United Nations fails to reflect the moral indignation that should be implicit in its Charter when its members openly advocate a step that means rewarding the same aggressor with a seat in the Security Council.

May the statesmen who are gathered this week in San Francisco take counsel of their consciences and come to understand that obedience to the code of international morality requires no written mandate.

For imbedded in the minds of people everywhere is the simple truth that there can be no compromise with evil men or evil things.

Peoples must always be able to use any force they can muster to drive tyrants from power and recover their liberties. Free governments, responsive to the will of the people, constitute the only real guarantee of peace. Charters may be revised and their provisions made crystal clear, but they become futile when autocracy is given equal status alongside freedom's representatives.

The United Nations gave hope to the world in 1945 as it welcomed all "peace-loving" nations to membership. After ten years, during which we have failed to cast out the aggressors, we are celebrating again the anniversary of a hope.

It's a hope that moral force—the united opinion of mankind—someday can reach into all countries and make the words "peace-loving," now written in the Charter, mean exactly what they say.

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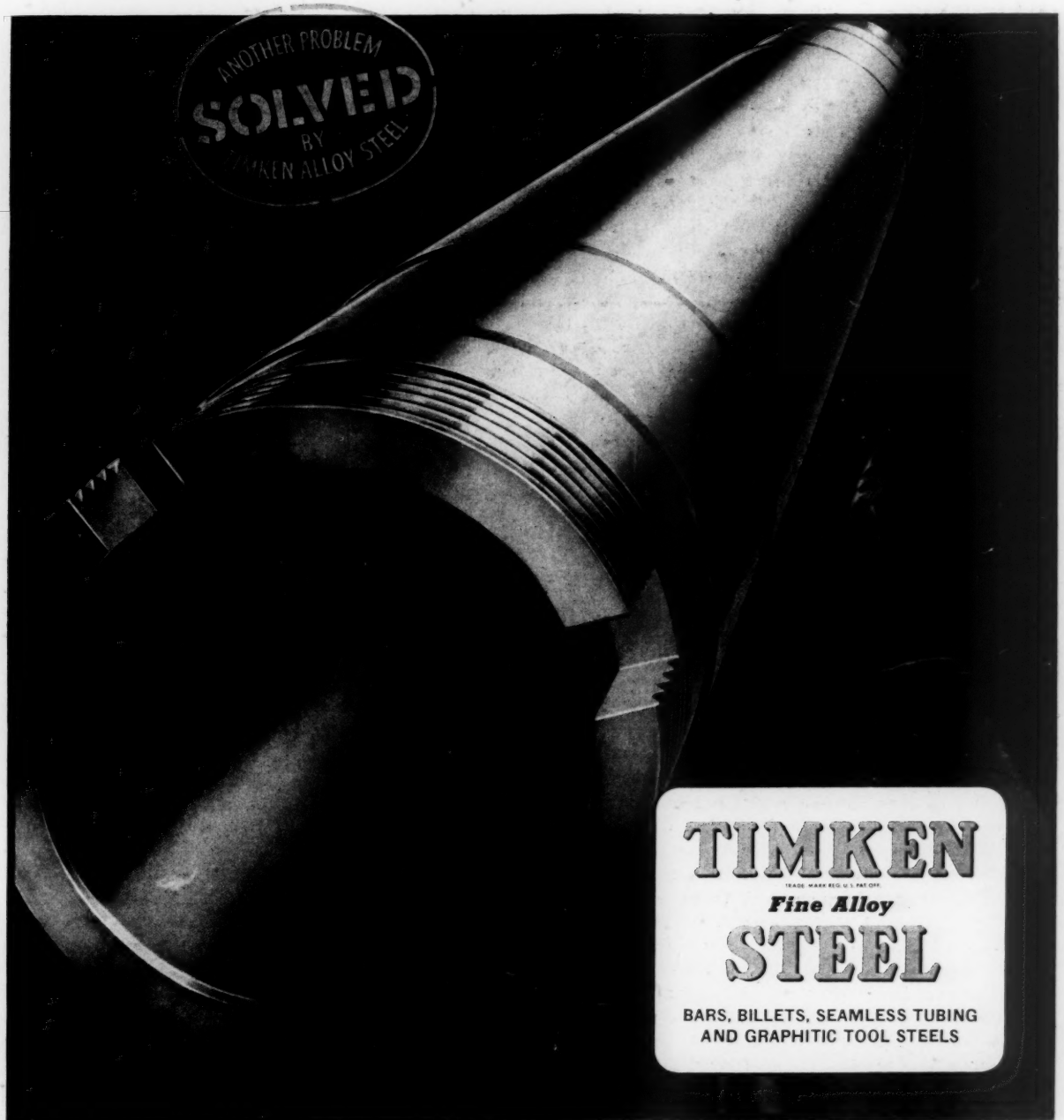

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